

**THE CITY OF INDEPENDENCE, KANSAS**

**FINANCIAL STATEMENT**

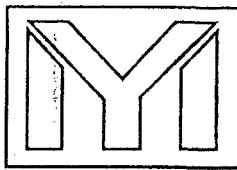
**December 31, 2013**

CITY OF INDEPENDENCE, KANSAS  
FINANCIAL STATEMENT  
For the Year Ended  
December 31, 2013  
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An Independent C.P.A. Firm

### INDEPENDENT AUDITORS' REPORT

The Honorable Mayor  
and Commissioners  
City of Independence, Kansas  
120 N. 6th Street  
Independence, KS 67301

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Independence, Kansas, a Municipal Financial Reporting Entity as of and for the year ended December 31, 2013 and the related notes to the financial statement.

#### *Management's Responsibility for the Financial Statement*

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the applicable audit requirements of the *Kansas Municipal Audit and Accounting Guide*. Those standards and the *Kansas Municipal Audit and Accounting Guide* require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal

control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles*

As described in Note 1 of the financial statement, the financial statement is prepared by the City of Independence, Kansas (the Municipal Financial Reporting Entity) to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

*Adverse Opinion on U.S. Generally Accepted Accounting Principles*

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Independence, Kansas (Municipal Financial Reporting Entity), as of December 31, 2013, or changes in financial position or cash flows thereof for the year then ended.

*Opinion on Regulatory Basis of Accounting*

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Independence, Kansas (Municipal Financial Reporting Entity), as of December 31, 2013, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

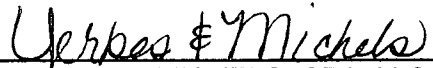
*Report on Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures – actual and budget, individual fund schedules of regulatory basis receipts and expenditures – actual and budget, schedule of regulatory basis receipts and expenditures – agency funds, schedules of regulatory basis receipts and expenditures – actual – related municipal entities, (Schedules 1, 2, 3, and 4 as listed in the table of contents) are presented for purposes of analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The schedule of expenditures of federal awards (Schedule 5 as listed in the table of contents) is presented for the purpose of additional analysis as required by U.S. Office of Management Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in

the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

*Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2014 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Independence's internal control over financial reporting and compliance.

  
YERKES & MICHELS, CPA, LLC  
Independence, Kansas

July 31, 2014

## THE CITY OF INDEPENDENCE, KANSAS

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SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES  
AND UNENCUMBERED CASH  
Regulatory Basis

For the Year Ended December 31, 2013

|  | Beginning<br>Unencumbered<br>Cash Balance | Prior Year<br>Cancelled<br>Encumbrances | Cash<br>Receipts | Expenditures    | Ending<br>Unencumbered<br>Cash Balance | Add:<br>Encumbrances<br>and Accounts<br>Payable | Ending<br>Cash Balance |  |
|--|---|---|------------------|-----------------|--|---|------------------------|--|
| <b>GOVERNMENTAL TYPE FUNDS:</b>          |   |   |                  |                 |  |   |                        | <b>GOVERNMENTAL TYPE FUNDS:</b>          |
| General                                  | \$ 805,669.88                             | \$ -                                    | \$ 5,581,480.05  | \$ 5,117,054.87 | \$ 1,270,095.06                        | \$ 223,215.51                                   | \$ 1,493,310.57        | General                                  |
| Special Purpose                          |   |   |                  |                 |  |   |                        | Special Purpose                          |
| D.A.R.E. Fund                            | 298.41                                    |   | 5.14             | -               | 303.55                                 |   | 303.55                 | D.A.R.E. Fund                            |
| Industrial Fund                          | 36,054.01                                 |   | 21,384.48        | 31,358.50       | 26,079.99                              | 28,166.68                                       | 54,246.67              | Industrial Fund                          |
| Crime Prevention Program Fund            | 1,776.00                                  |   | -                | -               | 1,776.00                               |   | 1,776.00               | Crime Prevention Program Fund            |
| Economic Development Transportation Fund | 468,235.88                                |   | 308,361.94       | 129,409.57      | 647,188.25                             | 69,556.44                                       | 716,744.69             | Economic Development Transportation Fund |
| E 911 (NEW) Fund                         | 42,199.05                                 |   | 299,934.09       | 331,413.17      | 10,719.97                              | 13,467.90                                       | 24,187.87              | E 911 (NEW) Fund                         |
| Incubator Building Fund                  | 97,380.75                                 |   | 37,140.00        | 700.90          | 133,819.85                             |   | 133,819.85             | Incubator Building Fund                  |
| Education Sales Tax Fund                 | 199,454.39                                |   | 1,981,233.21     | 2,107,687.60    | 73,000.00                              | 174,517.84                                      | 247,517.84             | Education Sales Tax Fund                 |
| Smoke Detector Grant Fund                | 246.94                                    |   | -                | -               | 246.94                                 |   | 246.94                 | Smoke Detector Grant Fund                |
| Pride Signs Fund                         | 1,336.44                                  |   | -                | 4,956.55        | (3,620.11)                             | 3,641.50  | 21.39                  | Pride Signs Fund                         |
| Minature Train Fund                      | 3,241.83                                  |   | -                | -               | 3,241.83                               |   | 3,241.83               | Minature Train Fund                      |
| Skate Park Fund                          | 1,675.35                                  |   | -                | -               | 1,675.35                               |   | 1,675.35               | Skate Park Fund                          |
| CDBG # 12-PF-038 Fund                    | (262,282.77)                              |   | 308,031.00       | 100,906.60      | (55,158.37)                            | 83,253.50                                       | 28,095.13              | CDBG # 12-PF-038 Fund                    |
| Special Use Sales Tax Fund               | 109,454.40                                |   | 1,981,233.20     | 801,566.20      | 1,289,121.40                           | 1,940.22  | 1,291,061.62           | Special Use Sales Tax Fund               |
| KDHE - FIRE/EMS Grant Fund               | 1,425.00                                  |   | -                | 1,425.00        | -                                      |   | -                      | KDHE - FIRE/EMS Grant Fund               |
| City Employee Benefits Fund              | 147,478.61                                |   | 601,835.44       | 623,787.28      | 125,526.77                             | (8,504.58)                                      | 117,022.19             | City Employee Benefits Fund              |
| Library Employee Benefit Fund            | 2,028.07                                  |   | 78,188.05        | 80,216.12       | -                                      | 1,493.47  | 1,493.47               | Library Employee Benefit Fund            |
| Special Park Fund                        | 6,673.50                                  |   | -                | -               | 6,673.50                               |   | 6,673.50               | Special Park Fund                        |
| Library Fund                             | 4,917.84                                  |   | 176,955.97       | 181,873.81      | -                                      | 4,321.07  | 4,321.07               | Library Fund                             |
| Downtown Tree Replacement Fund           | 1,000.00                                  |   | -                | -               | 1,000.00                               |   | 1,000.00               | Downtown Tree Replacement Fund           |
| Special Park & Recreation Fund           | 25,979.79                                 |   | 33,752.65        | 24,000.00       | 35,732.44                              |   | 35,732.44              | Special Park & Recreation Fund           |
| Special Alcohol Fund                     | -   |   | 28,384.51        | 28,384.51       | -                                      | 7,661.88  | 7,661.88               | Special Alcohol Fund                     |
| Demolition Fund                          | 2,565.00                                  |   | 21,503.28        | 15,450.00       | 8,618.28                               | 2,800.00  | 11,418.28              | Demolition Fund                          |
| Liability Insurance Fund                 | 5,566.33                                  |   | 69,464.41        | 58,128.40       | 16,902.34                              |   | 16,902.34              | Liability Insurance Fund                 |
| E-911 Fund                               | 92,505.91                                 |   | 1,795.01         | -               | 94,300.92                              |   | 94,300.92              | E-911 Fund                               |
| Quality of Life Tax Credits Fund         | 413,696.13                                |   | 82,178.27        | 110,053.75      | 385,820.65                             |   | 385,820.65             | Quality of Life Tax Credits Fund         |
| Quality of Life Tax Projects Fund        | 927,676.17                                |   | 215,492.65       | 841,756.06      | 301,412.76                             |   | 301,412.76             | Quality of Life Tax Projects Fund        |
| Cultural Arts Fund                       | 6,009.07                                  |   | 64,250.00        | 64,250.00       | 6,009.07                               |   | 6,009.07               | Cultural Arts Fund                       |
| Undercover Narcotic Fund                 | 19,051.15                                 |   | 7,787.00         | 7,841.30        | 18,996.85                              |   | 18,996.85              | Undercover Narcotic Fund                 |
| Downtown Incubator Grant Proceeds Fund   | (3,628.22)                                |   | 3,628.22         | -               | -                                      |   | -                      | Downtown Incubator Grant Proceeds Fund   |
| Air Traffic Control Tower Fund           | (55,325.00)                               |   | 326,200.00       | 297,575.00      | (26,700.00)                            |   | (26,700.00)            | Air Traffic Control Tower Fund           |
| Waste Tire Grant Fund                    | 272.71                                    |   | -                | -               | 272.71                                 |   | 272.71                 | Waste Tire Grant Fund                    |
| KHRC # ESG-FFY 2012                      | 106.68                                    |   | 18,831.67        | 18,297.85       | 640.50                                 |   | 640.50                 | KHRC # ESG-FFY 2012                      |
| Debt Service Fund                        |   |   |                  |                 |  |   |                        | Debt Service Fund                        |
| Bond and Interest Fund                   | 374,080.34                                |   | 703,649.89       | 859,100.16      | 218,630.07                             |   | 218,630.07             | Bond and Interest Fund                   |

THE NOTES TO THE FINANCIAL STATEMENT ARE AN INTEGRAL PART OF THIS STATEMENT.

THE CITY OF INDEPENDENCE, KANSAS

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SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES  
AND UNENCUMBERED CASH  
Regulatory Basis

For the Year Ended December 31, 2013

|  | Beginning<br>Unencumbered<br>Cash Balance | Prior Year<br>Cancelled<br>Encumbrances | Cash<br>Receipts        | Expenditures            | Ending<br>Unencumbered<br>Cash Balance | Add:<br>Encumbrances<br>and Accounts<br>Payable | Ending<br>Cash Balance  |  |
|--|---|---|-------------------------|-------------------------|--|---|-------------------------|--|
| <b>GOVERNMENTAL TYPE FUNDS:</b>                        |   |   |                         |                         |  |   |                         | <b>GOVERNMENTAL TYPE FUNDS:</b>                        |
| Capital Project Funds                                  |   |   |                         |                         |  |   |                         | Capital Project Funds                                  |
| Airport - Map Existing Airport Cir.                    | -   |   | 2,000.00                | 40,000.00               | (38,000.00)                            | 40,000.00                                       | 2,000.00                | Airport - Map Existing Airport Cir.                    |
| Logan Fountain Fund                                    | -   |   | 100.00                  | -                       | 100.00                                 |   | 100.00                  | Logan Fountain Fund                                    |
| Airport - Design Terminal Upgrade                      | -   |   | 1,000.00                | 20,000.00               | (19,000.00)                            | 20,000.00                                       | 1,000.00                | Airport - Design Terminal Upgrade                      |
| Geometric - 10th & Chestnut                            | -   |   | 695,375.00              | 77,203.85               | 618,171.15                             | 42,013.31                                       | 660,184.46              | Geometric - 10th & Chestnut                            |
| CDBG #13-PF-013  | -   |   | 400,000.00              | 907,933.80              | (507,933.80)                           | 902,933.80                                      | 395,000.00              | CDBG #13-PF-013  |
| AIP 3-20-0036-20 Fund                                  | 350.00                                    |   | 69,163.54               | 612,712.95              | (543,199.41)                           | 604,734.64                                      | 61,535.23               | AIP 3-20-0036-20 Fund                                  |
| 2013 Street Projects                                   | -   |   | 1,621,178.03            | 343,664.51              | 1,277,513.52                           |   | 1,277,513.52            | 2013 Street Projects                                   |
| ADA DJ # 204-29-144 Fund                               | 1,900,477.43                              |   | 795,632.00              | 1,931,134.00            | 764,975.43                             | 529,513.27                                      | 1,294,488.70            | ADA DJ # 204-29-144 Fund                               |
| KHRC # ESG-FFY 2011 Fund                               | 795.47                                    |   | -                       | -                       | 795.47                                 |   | 795.47                  | KHRC # ESG-FFY 2011 Fund                               |
| 10th & Main to 10th & Laurel Imprv. Fund               | -   |   | 83,146.40               | 258,708.46              | (175,562.06)                           | 231,202.69                                      | 55,640.63               | 10th & Main to 10th & Laurel Imprv. Fund               |
| USD #446 School Infrastructure Fund                    | 39,015.35                                 |   | -                       | 16,580.00               | 22,435.35                              |   | 22,435.35               | USD #446 School Infrastructure Fund                    |
| AIP #3-20-0036-17/19 Fund                              | (168,025.22)                              | 83,778.75                               | 89,286.57               | 5,040.10                | -                                      |   | -                       | AIP #3-20-0036-17/19 Fund                              |
| Airport - Upgrade Restrooms                            | -   |   | 2,500.00                | -                       | 2,500.00                               |   | 2,500.00                | Airport - Upgrade Restrooms                            |
| 2010 Memorial Hall Improvement Fund                    | -   |   | 12,500.00               | 12,500.00               | -                                      | 3,090.02  | 3,090.02                | 2010 Memorial Hall Improvement Fund                    |
| Southeast Lift Station Fund                            | (220,000.00)                              |   | 66,947.38               | 2,175,632.25            | (2,328,684.87)                         | 1,925,131.55                                    | (403,553.32)            | Southeast Lift Station Fund                            |
| West Main - 10 to 18th Fund                            | (2,543.95)                                |   | 862,475.54              | 778,582.50              | 81,349.09                              | 214,887.69                                      | 296,236.78              | West Main - 10 to 18th Fund                            |
| <b>BUSINESS FUNDS:</b>                                 |   |   |                         |                         |  |   |                         | <b>BUSINESS FUNDS:</b>                                 |
| Airport Fund   | 153,242.74                                |   | 768,084.01              | 800,093.95              | 121,232.80                             | 16,685.14                                       | 137,917.94              | Airport Fund   |
| Water & Sewer Fund                                     | 3,012,288.56                              |   | 3,519,667.84            | 3,558,092.00            | 2,973,864.40                           | 82,283.30                                       | 3,056,147.70            | Water & Sewer Fund                                     |
| Grinder Pump Replacement Fund                          | 167,689.68                                |   | 8,574.95                | -                       | 176,264.63                             |   | 176,264.63              | Grinder Pump Replacement Fund                          |
| Sanitation Fund  | 179,966.60                                |   | 1,172,409.22            | 1,061,017.97            | 291,357.85                             | 48,662.37                                       | 340,020.22              | Sanitation Fund  |
| <b>TOTAL PRIMARY GOVERNMENT</b>                        | <b>\$ 8,540,076.30</b>                    | <b>\$ 83,778.75</b>                     | <b>\$ 23,122,740.61</b> | <b>\$ 24,436,089.54</b> | <b>\$ 7,310,506.12</b>                 | <b>\$ 5,266,669.21</b>                          | <b>\$ 12,577,175.33</b> |  |
| <b>RELATED MUNICIPAL ENTITIES</b>                      |   |   |                         |                         |  |   |                         | <b>RELATED MUNICIPAL ENTITIES</b>                      |
| Independence Public Library                            | 92,718.36                                 |   | 557,051.86              | 570,643.21              | 79,127.01                              | 13,133.18                                       | 92,260.19               | Independence Public Library                            |
| Independence Housing Authority                         | 5,932,579.28                              |   | 1,377,465.31            | 1,092,420.82            | 6,217,623.77                           | 22,832.57                                       | 6,240,456.34            | Independence Housing Authority                         |
| <b>TOTAL REPORTING ENTITY (Excluding Agency Funds)</b> | <b>\$ 14,565,373.94</b>                   | <b>\$ 83,778.75</b>                     | <b>\$ 25,057,257.78</b> | <b>\$ 26,099,153.57</b> | <b>\$ 13,607,256.90</b>                | <b>\$ 5,302,634.96</b>                          | <b>\$ 18,909,891.86</b> | <b>TOTAL REPORTING ENTITY (Excluding Agency Funds)</b> |

THE NOTES TO THE FINANCIAL STATEMENT ARE AN INTEGRAL PART OF THIS STATEMENT.



SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH  
Regulatory Basis  
For the Year Ended December 31, 2013

## COMPOSITION OF CASH-Primary Government

|   |    |                     |                         |
|---|----|---------------------|-------------------------|
| Clerk's Cash On Hand                            |    | \$                  | 550.00                  |
| Community National Bank - Independence, Ks.     |    |                     |                         |
| Checking Account (Operating) No. 1910001317     | \$ | 7,398,820.37        |                         |
| Less: Amount Allocated to Component Unit        |    | (6,203,590.55)      |                         |
|   | \$ | <u>1,195,229.82</u> |                         |
| Checking Account (Petty Cash) No. 1919128783    |    | 1,500.00            |                         |
| Certificate of Deposit No. 54495                |    | 500,000.00          |                         |
| Certificate of Deposit No. 54496                |    | <u>9,200,000.00</u> |                         |
|   |    |                     | \$ 10,896,729.82        |
| First Federal Savings & Loan, Independence, Ks. |    |                     |                         |
| Platinum Account No. 01-56026333                | \$ | <u>800,000.00</u>   |                         |
| Certificate of Deposit No.                      |    |                     | 800,000.00              |
| FirstOak Bank, Independence, Ks.                |    |                     |                         |
| Money Market Account No. 705772                 | \$ | 600,000.00          |                         |
| Certificate of Deposit No. 102515               |    | 100,000.00          |                         |
| Certificate of Deposit No. 102583               |    | <u>200,000.00</u>   |                         |
|   |    |                     | \$ <u>900,000.00</u>    |
| Total Primary Government                        |    |                     | \$ 12,597,279.82        |
| Less: Agency Funds (Schedule 3)                 |    |                     | <u>(20,104.49)</u>      |
| TOTAL PRIMARY GOVERNMENT                        |    |                     | <u>\$ 12,577,175.33</u> |
| RELATED MUNICIPAL ENTITIES                      |    |                     |                         |
| Independence Public Library                     |    |                     |                         |
| Cash on Hand                                    | \$ | 50.00               |                         |
| FirstOak Bank, Independence, Ks.                |    |                     |                         |
| Checking Account No. 10212                      | \$ | 3,239.60            |                         |
| Money Market Account No. 703427                 |    | <u>83,973.10</u>    |                         |
|   |    |                     | \$ 87,212.70            |
| Community National Bank - Independence, Ks.     |    |                     |                         |
| Certificate of Deposit No. 1962398968           |    | 4,997.49            |                         |
|   |    |                     | \$ <u>92,260.19</u>     |
| Independence Housing Authority                  |    |                     |                         |
| Community National Bank - Independence, Ks.     |    |                     |                         |
| Checking Account No. 1919128784                 | \$ | 6,203,590.55        |                         |
| Certificate of Deposit No. 53900                |    | <u>36,865.79</u>    |                         |
|   |    |                     | <u>6,240,456.34</u>     |
| TOTAL RELATED MUNICIPAL ENTITIES                |    |                     | <u>\$ 6,332,716.53</u>  |
| TOTAL REPORTING ENTITY                          |    |                     | <u>\$ 18,909,891.86</u> |

THE NOTES TO THE FINANCIAL STATEMENT ARE AN INTEGRAL PART OF THIS STATEMENT.

## THE CITY OF INDEPENDENCE, KANSAS

### NOTES TO THE FINANCIAL STATEMENT

December 31, 2013

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### 1A. FINANCIAL REPORTING ENTITY

The City of Independence is a municipal corporation under the laws of the State of Kansas and is governed by an elected three-member Commission. The financial statement of the reporting entity includes those of the City of Independence (the primary government) and its related municipal entities. The related municipal entities are included in the City's reporting entity because they were established to benefit the City and/or its constituents.

- The *Independence Housing Authority* (IHA) is governed by a City-appointed board. The City appoints the Board, provides some administrative services to the Board and owns the buildings which the Housing Authority operates. The Housing Authority also manages and operates a duplex project jointly owned by the City and SEK Housing of Sedan, Kansas.
- The *Independence Library District*, which operates the City's public library, is governed by an appointed board. Four of the seven board members are appointed by the City. The Library is also fiscally dependent on the City for the majority of its revenue, but does receive tax revenues from other sources within the district.

##### 1B. BASIS OF PRESENTATION AND BASIS OF ACCOUNTING

Regulatory Basis of Accounting and Departure from Accounting Principles generally accepted in the United States of America. The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The municipality has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the City to use the regulatory basis of accounting.

## THE CITY OF INDEPENDENCE, KANSAS

### NOTES TO THE FINANCIAL STATEMENT

December 31, 2013

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

The accounts of the reporting entity are organized into funds, each of which is considered to be separate accounting entities.

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The following types of funds comprise the financial activities of The City of Independence, Kansas, for the year 2013:

#### GOVERNMENTAL FUNDS

General Fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Funds – used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest Fund – used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long term debt.

Capital Project Funds -- used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

#### BUSINESS FUNDS

Business Funds -- funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund, etc.).

#### FIDUCIARY TYPE FUNDS

Agency Funds – funds used to report assets held by the municipal reporting entity in a purely custodial capacity .

## THE CITY OF INDEPENDENCE, KANSAS

### NOTES TO THE FINANCIAL STATEMENT

December 31, 2013

#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

##### 1C. REIMBURSEMENTS

The City of Independence, Kansas records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements.

##### 1D. JOINTLY-GOVERNED ORGANIZATIONS

The City of Independence appoints two members to the board of the Independence Recreation Commission and Montgomery County Economic Development Authority, but does not control the boards or have financial responsibility for the organizations.

#### NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

##### 2A. BUDGETARY INFORMATION

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5<sup>th</sup> of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The budgets for the following funds were amended for the 2013 year: Airport Fund, Sanitation Fund, Education Sales Tax Fund, Special Use Sales Tax Fund, Quality of Life Tax Credits Fund, and Quality of Life Tax Projects Fund.

# THE CITY OF INDEPENDENCE, KANSAS

## NOTES TO THE FINANCIAL STATEMENT

December 31, 2013

### NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (cont'd)

#### 2A. BUDGETARY INFORMATION(cont'd.)

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital project funds, agency funds, and the following special purpose and business funds: D.A.R.E., Crime Prevention Program, E 911 (New), Incubator Building, Smoke Detector Grant, Pride Signs, Miniature Train, Skate Park, CDBG #12-PF-038, KDHE-Fire/EMS Grant, Airport Land Sale, Special Park, Downtown Tree Replacement, Demolition, E-911, Cultural Arts, Undercover Narcotic, Downtown Incubator Grant, Air Traffic Control Tower, Waste Tire Grant, KHRC #ESG-FFY2012 and Grinder Pump Replacement Funds.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

#### 2B. COMPLIANCE WITH FINANCE-RELATED LEGAL AND CONTRACTUAL MATTERS

Expenditures in the Airport Fund exceeded the amount budgeted by \$93.95. This is a violation of K.S.A. 79-2935.

Management is not aware of any other violations of compliance with Kansas Statutes or violations of other finance related legal matters.

## THE CITY OF INDEPENDENCE, KANSAS

### NOTES TO THE FINANCIAL STATEMENT

December 31, 2013

#### NOTE 3 - DEPOSITS AND INVESTMENTS

At December 31, 2013, the City had no investments.

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

*Concentration of credit risk.* State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

*Custodial credit risk – deposits.* Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at December 31, 2013.

At December 31, 2013, the carrying amount of the City's deposits, including certificates of deposit, was \$18,837,186.16, which included \$6,240,456.34 belonging to the Independence Housing Authority and \$20104.49 in agency funds. The bank balance was \$17,150,344.09. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. The bank balance was held by three banks, resulting in a concentration of credit risk. Of the bank balance \$750,000.00 was covered by FDIC insurance, and \$16,400,344.09 was collateralized by pledged securities held by the pledging financial institution's agents in the City's name.

At year-end the carrying amount of the Independence Public Library Board's deposits, including certificates of deposit was \$92,210.19. The bank balance was \$107,743.74. All of the bank balance was covered by FDIC insurance.

## THE CITY OF INDEPENDENCE, KANSAS

### NOTES TO THE FINANCIAL STATEMENT

December 31, 2013

#### NOTE 3 - DEPOSITS AND INVESTMENTS (cont'd.)

*Custodial credit risk – investments.* For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

#### NOTE 4 – LONG-TERM DEBT

SEE SCHEDULE ON PAGES 13 -14.

#### NOTE 5 - DEFINED BENEFIT PENSION PLAN

*Plan description.* The City participates in the Kansas Public Employees Retirement System (KPERS). KPERS is part of a cost-sharing multiple-employer defined benefit pension plan as provided by Kansas law. KPERS provides retirement benefits, life insurance, disability income benefits and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report (only one is issued) that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas Avenue, Suite 100; Topeka, Kansas 66603-3803) or by calling 1-888-275-5737.

*Funding Policy.* K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate at 4% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7% of covered salary. The employer collects and remits member-employee contributions according to the provisions of Section 414(h) of the Internal Revenue Code. Kansas law provides that employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates.

THE CITY OF INDEPENDENCE, KANSAS

NOTES TO THE FINANCIAL STATEMENT

For the Year Ended December 31, 2013

NOTE 4 - LONG-TERM DEBT

Changes in long-term liabilities for the Entity for the year ended December 31, 2013, were as follows:

| Issue   | Interest Rates % | Date of Issue | Amount Issued | Date of Final Maturity | Balance Beginning of Year | Additions              | Reductions/ Payments | Net Change             | Balance End of Year     | Interest Paid        |
|---|------------------|---------------|---------------|------------------------|---------------------------|------------------------|----------------------|------------------------|-------------------------|----------------------|
| <b>GENERAL OBLIGATION BONDS</b>               |                  |               |               |                        |                           |                        |                      |                        |                         |                      |
| Series D 2003                                 | 2.00-3.20        | 4/1/03        | 435,000.00    | 2013                   | 70,000.00                 |                        | 70,000.00            | (70,000.00)            |                         | 2,240.00             |
| Series A 2007                                 | 3.95-5.00        | 4/1/07        | 620,000.00    | 2027                   | 435,000.00                |                        | 40,000.00            | (40,000.00)            | 395,000.00              | 17,812.50            |
| Series A 2009                                 | 3.00-4.00        | 10/1/09       | 170,000.00    | 2019                   | 130,000.00                |                        | 15,000.00            | (15,000.00)            | 115,000.00              | 4,900.00             |
| Series A 2010                                 | 3.25-4.125       | 12/22/10      | 3,240,000.00  | 2026                   | 3,075,000.00              |                        | 170,000.00           | (170,000.00)           | 2,905,000.00            | 103,418.76           |
| Series A 2012                                 | 2.00-2.75        | 2/1/12        | 4,065,000.00  | 2026                   | 3,955,000.00              |                        | 315,000.00           | (315,000.00)           | 3,640,000.00            | 85,918.76            |
| Series A 2013                                 | 2.00-2.70        | 9/19/13       | 2,940,000.00  | 2023                   | -                         | 2,940,000.00           |                      | 2,940,000.00           | 2,940,000.00            | -                    |
|   |                  |               |               |                        | <u>\$ 7,665,000.00</u>    | <u>\$ 2,940,000.00</u> | <u>\$ 610,000.00</u> | <u>\$ 2,330,000.00</u> | <u>\$ 9,995,000.00</u>  | <u>\$ 214,290.02</u> |
| <b>CAPITAL LEASES</b>                         |                  |               |               |                        |                           |                        |                      |                        |                         |                      |
| 2011 Freightliner                             | 3.80             | 8/25/10       | 139,341.00    | 2015                   | 86,568.43                 |                        | 27,762.94            | (27,762.94)            | 58,805.49               | 3,171.60             |
| 2008 International                            | 2.67             | 1/18/13       | 112,500.00    | 2018                   | -                         | 112,500.00             | 21,322.55            | 91,177.45              | 91,177.45               | 2,862.37             |
| Enterpol Software                             | 2.26             | 1/16/13       | 50,000.00     | 2015                   | -                         | 50,000.00              | 12,290.11            | 37,709.89              | 37,709.89               | 565.00               |
|   |                  |               |               |                        | <u>\$ 86,568.43</u>       | <u>\$ 162,500.00</u>   | <u>\$ 61,375.60</u>  | <u>\$ 101,124.40</u>   | <u>\$ 187,692.83</u>    | <u>\$ 6,598.97</u>   |
| <b>OTHER DEBT</b>                             |                  |               |               |                        |                           |                        |                      |                        |                         |                      |
| Kansas Dept. of Health and Environment (KDHE) |                  |               |               |                        |                           |                        |                      |                        |                         |                      |
| Loan C-20-0959-05                             | 4.00             | 6/26/92       | 507,265.00    | 2016                   | \$ 33,790.58              | \$ -                   | \$ 33,790.58         | \$ (33,790.58)         | \$ -                    | \$ 953.49            |
| Loan C-20-1241-01                             | 3.54             | 8/31/95       | 418,306.00    | 2013                   | 107,430.14                |                        | 25,460.83            | (25,460.83)            | 81,969.31               | 3,326.89             |
| Loan 2630                                     | 3.77             | 7/2/09        | 2,500,000.00  | 2026                   | 1,067,436.06              |                        | 42,189.30            | (42,189.30)            | 1,025,246.76            | 36,325.83            |
| Loan C-20-1915-01                             | 2.25             | 10/24/11      | 225,000.00    | 2015                   | 225,000.00                | 66,947.38              | -                    | 66,947.38              | 291,947.38              | 5,259.60             |
|   |                  |               |               |                        | <u>\$ 1,433,656.78</u>    | <u>\$ 66,947.38</u>    | <u>\$ 101,440.71</u> | <u>\$ (34,493.33)</u>  | <u>\$ 1,399,163.45</u>  | <u>\$ 45,865.81</u>  |
| <b>TOTAL LONG TERM DEBT</b>                   |                  |               |               |                        | <u>\$ 9,185,225.21</u>    | <u>\$ 3,169,447.38</u> | <u>\$ 772,816.31</u> | <u>\$ 2,396,631.07</u> | <u>\$ 11,581,856.28</u> | <u>\$ 266,754.80</u> |



THE CITY OF INDEPENDENCE, KANSAS

NOTES TO THE FINANCIAL STATEMENT

December 31, 2013

NOTE 4 - LONG-TERM DEBIT (cont'd)

Current maturities of long-term debt and interest for the next five years and in five-year increments through maturity are as follows:

|                                     | Year<br>2014           | Year<br>2015           | Year<br>2016           | Year<br>2017           | Year<br>2018           | 2019-2023              | 2024-2028              | 2029-2033            | TOTAL                   |
|-------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|----------------------|-------------------------|
| <b>PRINCIPAL</b>                    |                        |                        |                        |                        |                        |                        |                        |                      |                         |
| General Obligation Bonds            | \$ 835,000.00          | \$ 870,000.00          | \$ 890,000.00          | \$ 895,000.00          | \$ 815,000.00          | \$ 4,085,000.00        | \$ 1,605,000.00        | \$ -                 | \$ 9,995,000.00         |
| Capital Leases                      | 64,676.29              | 64,902.30              | 22,784.34              | 23,396.74              | 11,933.16              |                        |                        |                      | 187,692.83              |
| Other Debt                          | 82,066.41              | 84,947.12              | 87,931.18              | 61,724.80              | 63,880.64              | 354,561.36             | 421,405.59             | 242,646.35           | 1,399,163.45            |
| <b>TOTAL PRINCIPAL</b>              | <b>\$ 981,742.70</b>   | <b>\$ 1,019,849.42</b> | <b>\$ 1,000,715.52</b> | <b>\$ 980,121.54</b>   | <b>\$ 890,813.80</b>   | <b>\$ 4,439,561.36</b> | <b>\$ 2,026,405.59</b> | <b>\$ 242,646.35</b> | <b>\$ 11,581,856.28</b> |
| <b>INTEREST</b>                     |                        |                        |                        |                        |                        |                        |                        |                      |                         |
| General Obligation Bonds            | \$ 266,950.02          | \$ 247,050.02          | \$ 227,787.52          | \$ 208,100.02          | \$ 186,625.02          | \$ 613,140.10          | \$ 109,631.30          | \$ -                 | \$ 1,859,284.00         |
| Capital Leases                      | 3,936.96               | 3,018.27               | 1,400.58               | 788.17                 | 159.31                 |                        |                        |                      | 9,303.29                |
| Other Debt                          | 43,675.97              | 41,017.19              | 38,263.35              | 35,649.88              | 33,667.90              | 136,029.62             | 74,638.53              | 12,162.59            | 415,105.03              |
| <b>TOTAL INTEREST</b>               | <b>\$ 314,562.95</b>   | <b>\$ 291,085.48</b>   | <b>\$ 267,451.45</b>   | <b>\$ 244,538.07</b>   | <b>\$ 220,452.23</b>   | <b>\$ 749,169.72</b>   | <b>\$ 184,269.83</b>   | <b>\$ 12,162.59</b>  | <b>\$ 2,283,692.32</b>  |
| <b>TOTAL PRINCIPAL AND INTEREST</b> | <b>\$ 1,296,305.65</b> | <b>\$ 1,310,934.90</b> | <b>\$ 1,268,166.97</b> | <b>\$ 1,224,659.61</b> | <b>\$ 1,111,266.03</b> | <b>\$ 5,188,731.08</b> | <b>\$ 2,210,675.42</b> | <b>\$ 254,808.94</b> | <b>\$ 13,865,548.60</b> |

# THE CITY OF INDEPENDENCE, KANSAS

## NOTES TO THE FINANCIAL STATEMENT

December 31, 2013

### NOTE 6 – CAPITAL PROJECTS

Capital project authorizations with approved change orders compared with expenditures from inception are as follows:

|  | <u>Project<br/>Authorization</u> | <u>City's<br/>Estimated Share</u> | <u>Expenditures<br/>To Date</u> | <u>Project<br/>Status</u> |
|--|----------------------------------|-----------------------------------|---------------------------------|---------------------------|
| Southeast Lift Station                           | 4,000,000.00                     | 4,000,000.00                      | 2,285,668.09                    | Ongoing                   |
| ADA DJ #204-29-144 Design                        | 1,369,800.00                     | 1,369,800.00                      | 1,369,800.00                    | Ongoing                   |
| ADA DJ #204-29-44                                | 2,905,877.00                     | 2,905,877.00                      | 1,288,177.90                    | Ongoing                   |
| CDBG 12-PF-038                                   | 800,000.00                       | 400,000.00                        | 799,494.35                      | Ongoing                   |
| 10 <sup>th</sup> St. Main to Laurel              | 240,500.00                       | 60,125.00                         | 258,708.46                      | Ongoing                   |
| W. Main 10 <sup>th</sup> to 18 <sup>th</sup> St. | 2,858,850.00                     | 858,850.00                        | 2,791,182.50                    | Ongoing                   |
| Airport – Map Existing AP                        | 40,000.00                        | 10,000.00                         | 40,000.00                       | Ongoing                   |
| Geometric 10 <sup>th</sup> & Chestnut            | 1,495,375.00                     | 695,375.00                        | 77,203.85                       | Ongoing                   |
| CDBG #13-PF-013                                  | 800,000.00                       | 400,000.00                        | 800,000.00                      | Ongoing                   |
| CDBG #14-PF-022                                  | 800,000.00                       | 400,000.00                        | 107,933.80                      | Ongoing                   |
| AIP 20-0036-20                                   | 684,303.00                       | 68,430.00                         | 547,997.95                      | Ongoing                   |
| 2013 Street Improvements                         | 1,325,650.00                     | 1,325,650.00                      | 343,664.51                      | Ongoing                   |
| USD #446 Infrastructure                          | 39,015.35                        | 39,015.35                         | 16,850.00                       | Ongoing                   |
| US Hwy 75 Oak to Morningside                     | 719,107.00                       | 519,107.00                        | 0.00                            | Ongoing                   |
| Logan Fountain                                   | 249,000.00                       | 83,000.00                         | 0.00                            | Ongoing                   |
| Memorial Hall Improvements                       | 35,000.00                        | 35,000.00                         | 12,500.00                       | Ongoing                   |
| Airport – Upgrade Restrooms                      | 9,360.00                         | 2,340.00                          | 0.00                            | Ongoing                   |
| Airport – Design Terminal                        | 500,000.00                       | 481,950.00                        | 20,000.00                       | Ongoing                   |
| KLINK #U-2178-01                                 | 533,000.00                       | 133,000.00                        | 508,789.34                      | Complete                  |
| FAA Project 3-20-0036-17/19                      | 1,349,960.00                     | 67,498.00                         | 1,337,638.66                    | Ongoing                   |
| Memorial Hall Improvement                        | 500,000.00                       | 500,000.00                        | 42,100.00                       | Complete                  |
| Southeast Lift Station                           | 4,000,000.00                     | 4,000,000.00                      | 445,000.00                      | Ongoing                   |
| ADA DJ# 204-29-144                               | 1,113,800.00                     | 3,470,000.00                      | 1,570,246.73                    | Ongoing                   |
| CDBG 12-PF-038                                   | 800,000.00                       | 400,000.00                        | 698,587.77                      | Ongoing                   |

### NOTE 7 - COMPENSATED ABSENCES

City employees with one year or more of service are eligible for vacation benefits varying from ten (10) days to twenty (20) days. Unused vacation earned during the current year can be carried over beyond the end of the succeeding year after it was earned. A maximum of 20 days may be carried over, but no new vacation time would be earned until a portion of the previous time was used. Any unused vacation time will be purchased from the employee upon termination.

City employees accumulate sick leave at the rate of one (1) day per month of service, up to one hundred-eighty (180) days. Sick leave may be accumulated and carried over to the next year, but is lost if the employee leaves the City's service.

# THE CITY OF INDEPENDENCE, KANSAS

## NOTES TO THE FINANCIAL STATEMENT

December 31, 2013

### NOTE 7 - COMPENSATED ABSENCES (cont'd.)

The liability for accrued vacation and sick pay is not reflected on the financial statements. Neither the actual or estimated amount of the liability was available at December 31, 2013. The cost of vacation and sick pay are recognized as expenditures when paid.

### NOTE 8 - OTHER POST EMPLOYMENT BENEFITS

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the City under this program.

### NOTE 9 - INTERFUND TRANSFERS

Operating transfers were as follows:

| <u>From Fund</u>        | <u>To Fund</u>      | <u>Statutory Authority</u> | <u>Amount</u> |
|-------------------------|---------------------|----------------------------|---------------|
| General                 | Demolition          | K.S.A. 12-1                | 3.28          |
| General                 | Liability Insurance | K.S.A. 12-2615             | 11,000.00     |
| General                 | Undercover Narc.    | K.S.A. 12-1                | 7,787.00      |
| Education Sales Tax     | Bond & Interest     | K.S.A. 12-197              | 210,893.76    |
| Special Use Sales Tax   | General             | K.S.A. 12-197              | 495,671.94    |
| Special Use Sales Tax   | ADA DJ 204-29-144   | K.S.A. 12-197              | 256,000.00    |
| Airport                 | Airport - Map Ex.   | K.S.A. 12-1,110            | 2,000.00      |
| Airport                 | Airport Term Upgr.  | K.S.A. 12-1,110            | 1,000.00      |
| Airport                 | Airport - Upgr. RR  | K.S.A. 12-1,110            | 2,500.00      |
| Water & Sewer           | Bond & Interest     | K.S.A. 12-825d             | 84,700.00     |
| Qual. of Life Sales Tax | ADA DJ 201-29-44    | K.S.A. 12-197              | 539,632.00    |
| Qual. of Life Sales Tax | 2010 Mem Hall Imp   | K.S.A. 12-197              | 12,500.00     |
| AIP 3-20-0036-20        | Airport             | K.S.A. 12-1,110            | 64,715.00     |
| ADA DJ 204-29-44        | CDBG #13-PF-013     | K.S.A. 12-1,118            | 400,000.00    |
| AIP 3-20-0036-17/19     | Airport             | K.S.A. 12-1,110            | 5,040.10      |

**THE CITY OF INDEPENDENCE, KANSAS**

**NOTES TO THE FINANCIAL STATEMENT**

**December 31, 2013**

**NOTE 10 - RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries commercial insurance. Settlements of claims have not exceeded coverage during the past three fiscal years.

**NOTE 11 – USE OF ESTIMATES**

The preparation of regulatory basis financial statements requires management to make estimates and assumptions that affect the reported amounts of expenditures during the audit period, encumbrances outstanding, and disclosure of contingencies at the end of the audit period. Actual results could differ from the estimates.

**NOTE 12 - FLEXIBLE BENEFIT PLAN (I.R.C. SECTION 125)**

The City adopted a salary-reduction flexible benefit plan under Section 125 of the Internal Revenue Code. All full time employees of the City are eligible to participate in the plan after 90 days of employment. Each employee may elect to reduce his or her salary to purchase benefits through the plan. Currently benefits offered through the plan involve health insurance, cancer insurance, and advantage disability insurance.

## THE CITY OF INDEPENDENCE, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET  
Regulatory Basis  
For the Year Ended December 31, 2013

|  | Certified<br>Budget | Adjmt. For<br>Qualifying<br>Budget Cr. | Total<br>Budget for<br>Comparison | Expenditures<br>Chargeable to<br>Current Year | Variance<br>Favorable<br>(Unfavorable) |  |
|--|---------------------|--|-----------------------------------|---|--|--|
| <u>GOVERNMENTAL TYPE FUNDS:</u>          |                     |  |                                   |   |  | <u>GOVERNMENTAL TYPE FUNDS:</u>          |
| General                                  | \$ 5,460,000.00     | \$ -                                   | \$ 5,460,000.00                   | \$ 5,117,054.87                               | \$ 342,945.13                          | General                                  |
| Special Purpose                          |                     |  |                                   |   |  | Special Purpose                          |
| Industrial Fund                          | 83,800.00           | -                                      | 83,800.00                         | 31,358.50                                     | 52,441.50                              | Industrial Fund                          |
| Economic Development Transportation Fund | 300,000.00          | -                                      | 300,000.00                        | 129,409.57                                    | 170,590.43                             | Economic Development Transportation Fund |
| Education Sales Tax Fund                 | 2,250,000.00        | -                                      | 2,250,000.00                      | 2,107,687.60                                  | 142,312.40                             | Education Sales Tax Fund                 |
| Special Use Sales Tax Fund               | 1,889,000.00        | -                                      | 1,889,000.00                      | 801,566.20                                    | 387,433.80                             | Special Use Sales Tax Fund               |
| City Employee Benefits Fund              | 689,100.00          | -                                      | 689,100.00                        | 623,787.28                                    | 65,312.72                              | City Employee Benefits Fund              |
| Library Employee Benefit Fund            | 81,700.00           | -                                      | 81,700.00                         | 80,216.12                                     | 1,483.88                               | Library Employee Benefit Fund            |
| Library Fund                             | 184,600.00          | -                                      | 184,600.00                        | 181,873.81                                    | 2,726.19                               | Library Fund                             |
| Special Park & Recreation Fund           | 24,000.00           | -                                      | 24,000.00                         | 24,000.00                                     | -                                      | Special Park & Recreation Fund           |
| Special Alcohol Fund                     | 30,000.00           | -                                      | 30,000.00                         | 28,384.51                                     | 1,615.49                               | Special Alcohol Fund                     |
| Liability Insurance Fund                 | 62,000.00           | -                                      | 62,000.00                         | 58,128.40                                     | 3,871.60                               | Liability Insurance Fund                 |
| Quality of Life Tax Credits Fund         | 413,708.00          | -                                      | 413,708.00                        | 110,053.75                                    | 303,654.25                             | Quality of Life Tax Credits Fund         |
| Quality of Life Tax Projects Fund        | 928,080.00          | -                                      | 928,080.00                        | 841,756.06                                    | 86,323.94                              | Quality of Life Tax Projects Fund        |
| Debt Service Fund                        |                     |  |                                   |   |  | Debt Service Fund                        |
| Bond and Interest                        | 953,000.00          | -                                      | 953,000.00                        | 859,100.16                                    | 93,899.84                              | Bond and Interest                        |
| <u>BUSINESS FUNDS:</u>                   |                     |  |                                   |   |  | <u>BUSINESS FUNDS:</u>                   |
| Airport Fund                             | 800,000.00          | -                                      | 800,000.00                        | 800,093.95                                    | (93.95)                                | Airport Fund                             |
| Water & Sewer Fund                       | 4,044,200.00        | -                                      | 4,044,200.00                      | 3,558,092.00                                  | 486,108.00                             | Water & Sewer Fund                       |
| Sanitation Fund                          | 1,145,200.00        | -                                      | 1,145,200.00                      | 1,061,017.97                                  | 84,182.03                              | Sanitation Fund                          |
| <u>RELATED MUNICIPAL ENTITIES</u>        |                     |  |                                   |   |  | <u>RELATED MUNICIPAL ENTITIES</u>        |
| Independence Public Library              |                     |  |                                   |   |  | Independence Public Library              |
| General Fund                             | 503,445.00          | -                                      | 503,445.00                        | 489,842.70                                    | 13,602.30                              | General Fund                             |
| Employee Benefit Fund                    | 81,700.00           | -                                      | 81,700.00                         | 80,800.51                                     | 899.49                                 | Employee Benefit Fund                    |

## THE CITY OF INDEPENDENCE, KANSAS

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SCHEDULE OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET  
Regulatory BasisGENERAL FUND

For the Year Ended December 31, 2013

|   | CURRENT YEAR           |                        |  |
|---|------------------------|------------------------|--|
|   | <u>Actual</u>          | <u>Budget</u>          | Variance<br>Favorable<br>(Unfavorable) |
| <b>CASH RECEIPTS</b>                          |                        |                        |  |
| Taxes   | \$ 1,040,680.01        | \$ 1,096,400.00        | \$ (55,719.99)                         |
| Local Sales Tax                               | 1,981,233.20           | 1,731,000.00           | 250,233.20                             |
| Franchise Tax                                 | 489,301.71             | 463,700.00             | 25,601.71                              |
| Ambulance                                     | 737,790.20             | 705,000.00             | 32,790.20                              |
| Municipal Court                               | 194,506.25             | 148,000.00             | 46,506.25                              |
| Streets & traffic                             | 319,303.25             | 324,000.00             | (4,696.75)                             |
| Memorial Hall                                 | 26,437.45              | 35,000.00              | (8,562.55)                             |
| Cemetery                                      | 49,535.00              | 46,500.00              | 3,035.00                               |
| Interest Income                               | 3,788.80               | 5,000.00               | (1,211.20)                             |
| Federal grant revenue                         | 1,235.42               | -                      | 1,235.42                               |
| Miscellaneous                                 | 241,996.82             | 122,900.00             | 119,096.82                             |
| Transfers                                     | 495,671.94             | 432,000.00             | 63,671.94                              |
| <b>TOTAL CASH RECEIPTS</b>                    | <b>\$ 5,581,480.05</b> | <b>\$ 5,109,500.00</b> | <b>\$ 471,980.05</b>                   |
| <b>EXPENDITURES</b>                           |                        |                        |  |
| General Government                            | \$ 345,128.76          | \$ 291,300.00          | \$ (53,828.76)                         |
| Municipal Court                               | 134,200.80             | 114,000.00             | (20,200.80)                            |
| City Hall                                     | 156,877.09             | 58,800.00              | (98,077.09)                            |
| Police Department                             | 1,224,826.12           | 1,301,700.00           | 76,873.88                              |
| Police Department - federal expenditures      | 1,235.42               | -                      | (1,235.42)                             |
| Animal Control                                | 29,794.48              | 42,200.00              | 12,405.52                              |
| Emergency Preparedness                        | 13,438.62              | 7,400.00               | (6,038.62)                             |
| Public Safety                                 | 1,545,742.96           | 1,573,800.00           | 28,057.04                              |
| EMS   | -                      | 8,700.00               | 8,700.00                               |
| Engineering                                   | 26,228.48              | 31,700.00              | 5,471.52                               |
| Streets & Traffic                             | 481,319.31             | 469,300.00             | (12,019.31)                            |
| Street Lighting                               | 139,771.90             | 136,000.00             | (3,771.90)                             |
| Park  | 404,457.61             | 498,400.00             | 93,942.39                              |
| Cemetery                                      | 150,387.88             | 189,400.00             | 39,012.12                              |
| Memorial Hall                                 | 175,100.22             | 178,100.00             | 2,999.78                               |
| Special Improvements                          | 269,754.94             | 546,500.00             | 276,745.06                             |
| Miscellaneous                                 | -                      | 12,700.00              | 12,700.00                              |
| Transfers                                     | 18,790.28              | -                      | (18,790.28)                            |
| <b>TOTAL EXPENDITURES</b>                     | <b>\$ 5,117,054.87</b> | <b>\$ 5,460,000.00</b> | <b>\$ 342,945.13</b>                   |
| <b>RECEIPTS OVER (UNDER)<br/>EXPENDITURES</b> | <b>\$ 464,425.18</b>   |                        |  |
| <b>UNENCUMBERED CASH, BEGINNING</b>           | <b>805,669.88</b>      |                        |  |
| <b>UNENCUMBERED CASH, ENDING</b>              | <b>\$ 1,270,095.06</b> |                        |  |

THE CITY OF INDEPENDENCE, KANSAS  
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES  
Regulatory Basis

D.A.R.E. FUND

For the Year Ended December 31, 2013

|                                       | <u>Actual</u>           |
|---------------------------------------|-------------------------|
| CASH RECEIPTS                         |                         |
| Miscellaneous                         | <u>\$ 5.14</u>          |
| TOTAL CASH RECEIPTS                   | <u>\$ 5.14</u>          |
| EXPENDITURES                          |                         |
| Commodities                           | <u>\$ -</u>             |
| TOTAL EXPENDITURES                    | <u>\$ -</u>             |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | <u>\$ 5.14</u>          |
| UNENCUMBERED CASH, BEGINNING          | <u>298.41</u>           |
| UNENCUMBERED CASH, ENDING             | <u><u>\$ 303.55</u></u> |

## THE CITY OF INDEPENDENCE, KANSAS

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET  
Regulatory BasisINDUSTRIAL FUND

For the Year Ended December 31, 2013

|                                       | <u>Actual</u>              | <u>Budget</u>       | Variance<br>Favorable<br>(Unfavorable) |
|---------------------------------------|----------------------------|---------------------|--|
| CASH RECEIPTS                         |                            |                     |  |
| Taxes                                 | \$ 384.48                  | \$ -                | \$ 384.48                              |
| Other Income                          | 21,000.00                  | -                   | 21,000.00                              |
|                                       |                            |                     |  |
| TOTAL CASH RECEIPTS                   | <u>\$ 21,384.48</u>        | <u>\$ -</u>         | <u>\$ 21,384.48</u>                    |
| EXPENDITURES                          |                            |                     |  |
| Capital Projects                      | \$ 13,178.50               | \$ 65,300.00        | \$ 52,121.50                           |
| Big Mac                               | 15,680.00                  | 16,000.00           | 320.00                                 |
| Chamber of Commerce                   | 2,500.00                   | 2,500.00            | -                                      |
|                                       |                            |                     |  |
| TOTAL EXPENDITURES                    | <u>\$ 31,358.50</u>        | <u>\$ 83,800.00</u> | <u>\$ 52,441.50</u>                    |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | <u>\$ (9,974.02)</u>       |                     |  |
| UNENCUMBERED CASH, BEGINNING          | <u>36,054.01</u>           |                     |  |
|                                       |                            |                     |  |
| UNENCUMBERED CASH, ENDING             | <u><u>\$ 26,079.99</u></u> |                     |  |



THE CITY OF INDEPENDENCE, KANSAS  
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES  
Regulatory Basis

CRIME PREVENTION PROGRAM FUND

For the Year Ended December 31, 2013

|                                       | <u>Actual</u>             |
|---------------------------------------|---------------------------|
| CASH RECEIPTS                         |                           |
| Miscellaneous                         | <u>\$ -</u>               |
| TOTAL CASH RECEIPTS                   | <u>\$ -</u>               |
| EXPENDITURES                          |                           |
| Capital Outlay                        | <u>\$ -</u>               |
| TOTAL EXPENDITURES                    | <u>\$ -</u>               |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | <u>\$ -</u>               |
| UNENCUMBERED CASH, BEGINNING          | <u>1,776.00</u>           |
| UNENCUMBERED CASH, ENDING             | <u><u>\$ 1,776.00</u></u> |

## THE CITY OF INDEPENDENCE, KANSAS

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET  
Regulatory BasisECONOMIC DEVELOPMENT TRANSPORTATION FUND

For the Year Ended December 31, 2013

|                                       | <u>Actual</u>        | <u>Budget</u>        | Variance<br>Favorable<br>(Unfavorable) |
|---------------------------------------|----------------------|----------------------|--|
| CASH RECEIPTS                         |                      |                      |  |
| Franchise Tax                         | \$ 308,361.94        | \$ 290,000.00        | \$ 18,361.94                           |
| Other                                 | -                    |                      | -                                      |
| TOTAL CASH RECEIPTS                   | <u>\$ 308,361.94</u> | <u>\$ 290,000.00</u> | <u>\$ 18,361.94</u>                    |
| EXPENDITURES                          |                      |                      |  |
| Economic Development Incentives       | \$ 129,409.57        | \$ 300,000.00        | \$ 170,590.43                          |
| Miscellaneous                         | -                    |                      | -                                      |
| TOTAL EXPENDITURES                    | <u>\$ 129,409.57</u> | <u>\$ 300,000.00</u> | <u>\$ 170,590.43</u>                   |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | \$ 178,952.37        |                      |  |
| UNENCUMBERED CASH, BEGINNING          | <u>468,235.88</u>    |                      |  |
| UNENCUMBERED CASH, ENDING             | <u>\$ 647,188.25</u> |                      |  |

THE CITY OF INDEPENDENCE, KANSAS  
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES  
 Regulatory Basis

E 911 (NEW) FUND

For the Year Ended December 31, 2013

|                                       | <u>Actual</u>              |
|---------------------------------------|----------------------------|
| CASH RECEIPTS                         |                            |
| State of Kansas                       | \$ 299,861.94              |
| Interest                              | <u>72.15</u>               |
| TOTAL CASH RECEIPTS                   | <u>\$ 299,934.09</u>       |
| EXPENDITURES                          |                            |
| Capital Outlay                        | <u>\$ 331,413.17</u>       |
| TOTAL EXPENDITURES                    | <u>\$ 331,413.17</u>       |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | \$ (31,479.08)             |
| UNENCUMBERED CASH, BEGINNING          | <u>42,199.05</u>           |
| UNENCUMBERED CASH, ENDING             | <u><u>\$ 10,719.97</u></u> |

THE CITY OF INDEPENDENCE, KANSAS  
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES  
 Regulatory Basis

INCUBATOR BUILDING FUND

For the Year Ended December 31, 2013

|                              | <u>CURRENT YEAR</u>         |
|------------------------------|-----------------------------|
|                              | <u>Actual</u>               |
| CASH RECEIPTS                |                             |
| Taxes                        | \$ -                        |
| Rent Income                  | 37,140.00                   |
|                              | <u>37,140.00</u>            |
| TOTAL CASH RECEIPTS          | <u>\$ 37,140.00</u>         |
| EXPENDITURES                 |                             |
| Contactual                   | \$ 700.90                   |
| Capital Outlay               |                             |
|                              | <u>700.90</u>               |
| TOTAL EXPENDITURES           | <u>\$ 700.90</u>            |
| RECEIPTS OVER (UNDER)        |                             |
| EXPENDITURES                 | \$ 36,439.10                |
| UNENCUMBERED CASH, BEGINNING | <u>97,380.75</u>            |
| UNENCUMBERED CASH, ENDING    | <u><u>\$ 133,819.85</u></u> |

## THE CITY OF INDEPENDENCE, KANSAS

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET  
Regulatory BasisEDUCATION SALES TAX FUND

For the Year Ended December 31, 2013

|                                       | <u>Actual</u>          | <u>Budget</u>          | Variance<br>Favorable<br>(Unfavorable) |
|---------------------------------------|------------------------|------------------------|--|
| CASH RECEIPTS                         |                        |                        |  |
| Sales Taxes                           | \$ 1,981,233.21        | \$ 1,731,000.00        | \$ 250,233.21                          |
|                                       |                        |                        | -                                      |
| TOTAL CASH RECEIPTS                   | <u>\$ 1,981,233.21</u> | <u>\$ 1,731,000.00</u> | <u>\$ 250,233.21</u>                   |
| EXPENDITURES                          |                        |                        |  |
| Capital Outlay                        | \$ 1,896,793.84        | \$ 2,039,000.00        | \$ 142,206.16                          |
| Transfers                             | 210,893.76             | 211,000.00             | 106.24                                 |
| TOTAL EXPENDITURES                    | <u>\$ 2,107,687.60</u> | <u>\$ 2,250,000.00</u> | <u>\$ 142,312.40</u>                   |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | \$ (126,454.39)        |                        |  |
| UNENCUMBERED CASH, BEGINNING          | <u>199,454.39</u>      |                        |  |
| UNENCUMBERED CASH, ENDING             | <u>\$ 73,000.00</u>    |                        |  |

THE CITY OF INDEPENDENCE, KANSAS  
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES  
Regulatory Basis

SMOKE DETECTOR GRANT FUND

For the Year Ended December 31, 2013

|                                       | <u>Actual</u>           |
|---------------------------------------|-------------------------|
| CASH RECEIPTS                         |                         |
| Miscellaneous                         | <u>\$ -</u>             |
| TOTAL CASH RECEIPTS                   | <u>\$ -</u>             |
| EXPENDITURES                          |                         |
| Capital Outlay                        | <u>\$ -</u>             |
| TOTAL EXPENDITURES                    | <u>\$ -</u>             |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | \$ -                    |
| UNENCUMBERED CASH, BEGINNING          | <u>246.94</u>           |
| UNENCUMBERED CASH, ENDING             | <u><u>\$ 246.94</u></u> |

THE CITY OF INDEPENDENCE, KANSAS  
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES  
 Regulatory Basis

PRIDE SIGNS FUND

For the Year Ended December 31, 2013

|                                       | <u>Actual</u> |
|---------------------------------------|---------------|
| CASH RECEIPTS                         |               |
| Miscellaneous                         | \$ -          |
| TOTAL CASH RECEIPTS                   | \$ -          |
| EXPENDITURES                          |               |
| Capital Outlay                        | \$ 4,956.55   |
| TOTAL EXPENDITURES                    | \$ 4,956.55   |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | \$ (4,956.55) |
| UNENCUMBERED CASH, BEGINNING          | 1,336.44      |
| UNENCUMBERED CASH, ENDING             | \$ (3,620.11) |

THE CITY OF INDEPENDENCE, KANSAS  
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES  
Regulatory Basis

MINATURE TRAIN FUND

For the Year Ended December 31, 2013

|                                       | <u>Actual</u>             |
|---------------------------------------|---------------------------|
| CASH RECEIPTS                         |                           |
| Miscellaneous                         | <u>\$ -</u>               |
| TOTAL CASH RECEIPTS                   | <u>\$ -</u>               |
| EXPENDITURES                          |                           |
| Capital Outlay                        | <u>\$ -</u>               |
| TOTAL EXPENDITURES                    | <u>\$ -</u>               |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | \$ -                      |
| UNENCUMBERED CASH, BEGINNING          | <u>3,241.83</u>           |
| UNENCUMBERED CASH, ENDING             | <u><u>\$ 3,241.83</u></u> |



THE CITY OF INDEPENDENCE, KANSAS  
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES  
 Regulatory Basis

SKATE PARK FUND

For the Year Ended December 31, 2013

|                                       | <u>Actual</u> |
|---------------------------------------|---------------|
| CASH RECEIPTS                         |               |
| Miscellaneous                         | \$ -          |
| Transfers                             | -             |
|                                       | <hr/>         |
| TOTAL CASH RECEIPTS                   | \$ -          |
|                                       | <hr/>         |
| EXPENDITURES                          |               |
| Capital Outlay                        | \$ -          |
| Transfers                             | -             |
|                                       | <hr/>         |
| TOTAL EXPENDITURES                    | \$ -          |
|                                       | <hr/>         |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | \$ -          |
|                                       | <hr/>         |
| UNENCUMBERED CASH, BEGINNING          | 1,675.35      |
|                                       | <hr/>         |
| UNENCUMBERED CASH, ENDING             | \$ 1,675.35   |
|                                       | <hr/> <hr/>   |

THE CITY OF INDEPENDENCE, KANSAS  
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES  
 Regulatory Basis

CDGB # 12-PF-038 FUND

For the Year Ended December 31, 2013

|                                       | <u>Actual</u>  |
|---------------------------------------|----------------|
| CASH RECEIPTS                         |                |
| Federal                               | \$ 308,031.00  |
| Transfers                             | -              |
|                                       | <hr/>          |
| TOTAL CASH RECEIPTS                   | \$ 308,031.00  |
|                                       | <hr/>          |
| EXPENDITURES                          |                |
| Curb Ramps - federal expenditures     | \$ 100,906.60  |
|                                       | <hr/>          |
| TOTAL EXPENDITURES                    | \$ 100,906.60  |
|                                       | <hr/>          |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | \$ 207,124.40  |
|                                       | <hr/>          |
| UNENCUMBERED CASH, BEGINNING          | (262,282.77)   |
|                                       | <hr/>          |
| UNENCUMBERED CASH, ENDING             | \$ (55,158.37) |
|                                       | <hr/>          |

## THE CITY OF INDEPENDENCE, KANSAS

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET  
Regulatory BasisSPECIAL USE SALES TAX FUND

For the Year Ended December 31, 2013

|                                       | <u>Actual</u>          | <u>Budget</u>          | Variance<br>Favorable<br>(Unfavorable) |
|---------------------------------------|------------------------|------------------------|--|
| CASH RECEIPTS                         |                        |                        |  |
| Sales Tax                             | \$ 1,981,233.20        | \$ 1,731,000.00        | \$ 250,233.20                          |
| Transfers                             | -                      | -                      | -                                      |
| TOTAL CASH RECEIPTS                   | <u>\$ 1,981,233.20</u> | <u>\$ 1,731,000.00</u> | <u>\$ 250,233.20</u>                   |
| EXPENDITURES                          |                        |                        |  |
| Capital Outlay                        | \$ 49,894.26           | \$ 1,457,000.00        | \$ 1,407,105.74                        |
| Transfers                             | 751,671.94             | 432,000.00             | (319,671.94)                           |
| TOTAL EXPENDITURES                    | <u>\$ 801,566.20</u>   | <u>\$ 1,889,000.00</u> | <u>\$ 1,087,433.80</u>                 |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | \$ 1,179,667.00        |                        |  |
| UNENCUMBERED CASH, BEGINNING          | <u>109,454.40</u>      |                        |  |
| UNENCUMBERED CASH, ENDING             | <u>\$ 1,289,121.40</u> |                        |  |

## THE CITY OF INDEPENDENCE, KANSAS

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES  
Regulatory BasisKDHE - FIRE/EMS GRANT FUND

For the Year Ended December 31, 2013

|                                       | <u>Actual</u> |
|---------------------------------------|---------------|
| CASH RECEIPTS                         |               |
| Grant                                 | \$ -          |
| Transfers                             | -             |
|                                       | <hr/>         |
| TOTAL CASH RECEIPTS                   | \$ -          |
|                                       | <hr/>         |
| EXPENDITURES                          |               |
| Capital Outlay                        | \$ 1,425.00   |
| Transfers                             | -             |
|                                       | <hr/>         |
| TOTAL EXPENDITURES                    | \$ 1,425.00   |
|                                       | <hr/>         |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | \$ (1,425.00) |
|                                       | <hr/>         |
| UNENCUMBERED CASH, BEGINNING          | 1,425.00      |
|                                       | <hr/>         |
| UNENCUMBERED CASH, ENDING             | \$ -          |
|                                       | <hr/> <hr/>   |

## THE CITY OF INDEPENDENCE, KANSAS

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET  
Regulatory BasisCITY EMPLOYEE BENEFITS FUND

For the Year Ended December 31, 2013

|                                       | <u>Actual</u>        | <u>Budget</u>        | Variance<br>Favorable<br>(Unfavorable) |
|---------------------------------------|----------------------|----------------------|--|
| CASH RECEIPTS                         |                      |                      |  |
| Taxes                                 | \$ 580,742.44        | \$ 606,200.00        | \$ (25,457.56)                         |
| Other Income                          | 21,093.00            |                      | 21,093.00                              |
| TOTAL CASH RECEIPTS                   | <u>\$ 601,835.44</u> | <u>\$ 606,200.00</u> | <u>\$ (4,364.56)</u>                   |
| EXPENDITURES                          |                      |                      |  |
| Personnel                             | \$ 498,757.17        | 527,800.00           | 29,042.83                              |
| Contractual                           | 125,030.11           | 161,300.00           | 36,269.89                              |
|                                       |                      | -                    | -                                      |
| TOTAL EXPENDITURES                    | <u>\$ 623,787.28</u> | <u>\$ 689,100.00</u> | <u>\$ 65,312.72</u>                    |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | \$ (21,951.84)       |                      |  |
| UNENCUMBERED CASH, BEGINNING          | <u>147,478.61</u>    |                      |  |
| UNENCUMBERED CASH, ENDING             | <u>\$ 125,526.77</u> |                      |  |

## THE CITY OF INDEPENDENCE, KANSAS

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET  
Regulatory BasisLIBRARY EMPLOYEE BENEFITS FUND

For the Year Ended December 31, 2013

|                                       | <u>Actual</u>       | <u>Budget</u>       | Variance<br>Favorable<br>(Unfavorable) |
|---------------------------------------|---------------------|---------------------|--|
| CASH RECEIPTS                         |                     |                     |  |
| Taxes                                 | \$ 78,188.05        | \$ 81,700.00        | \$ (3,511.95)                          |
| TOTAL CASH RECEIPTS                   | <u>\$ 78,188.05</u> | <u>\$ 81,700.00</u> | <u>\$ (3,511.95)</u>                   |
| EXPENDITURES                          |                     |                     |  |
| Insurance                             | \$ 80,216.12        | \$ 81,700.00        | \$ 1,483.88                            |
| TOTAL EXPENDITURES                    | <u>\$ 80,216.12</u> | <u>\$ 81,700.00</u> | <u>\$ 1,483.88</u>                     |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | \$ (2,028.07)       |                     |  |
| UNENCUMBERED CASH, BEGINNING          | <u>2,028.07</u>     |                     |  |
| UNENCUMBERED CASH, ENDING             | <u>\$ 0.00</u>      |                     |  |

THE CITY OF INDEPENDENCE, KANSAS  
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES  
 Regulatory Basis

AIRPORT LAND SALE FUND

For the Year Ended December 31, 2013

|                                       | <u>Actual</u> |
|---------------------------------------|---------------|
| CASH RECEIPTS                         |               |
| Other                                 | \$ -          |
| TOTAL CASH RECEIPTS                   | \$ -          |
| EXPENDITURES                          |               |
| Transfers                             | \$ -          |
| TOTAL EXPENDITURES                    | \$ -          |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | \$ -          |
| UNENCUMBERED CASH, BEGINNING          | 0.00          |
| UNENCUMBERED CASH, ENDING             | \$ -          |

THE CITY OF INDEPENDENCE, KANSAS  
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES  
Regulatory Basis

SPECIAL PARK FUND

For the Year Ended December 31, 2013

|                                       | <u>Actual</u>           |
|---------------------------------------|-------------------------|
| CASH RECEIPTS                         |                         |
| Memorials                             | \$ -                    |
|                                       | <hr/>                   |
| TOTAL CASH RECEIPTS                   | <hr/> \$ -              |
| EXPENDITURES                          |                         |
| Commodities                           | \$ -                    |
| Capital Outlay                        | -                       |
|                                       | <hr/>                   |
| TOTAL EXPENDITURES                    | <hr/> \$ -              |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | \$ -                    |
| UNENCUMBERED CASH, BEGINNING          | <hr/> 6,673.50          |
| UNENCUMBERED CASH, ENDING             | <hr/> <hr/> \$ 6,673.50 |



## THE CITY OF INDEPENDENCE, KANSAS

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET  
 Regulatory Basis  
LIBRARY FUND

For the Year Ended December 31, 2013

|                                       | <u>Actual</u>        | <u>Budget</u>        | Variance<br>Favorable<br>(Unfavorable) |
|---------------------------------------|----------------------|----------------------|--|
| CASH RECEIPTS                         |                      |                      |  |
| Taxes                                 | \$ 176,955.97        | \$ 184,600.00        | \$ (7,644.03)                          |
|                                       |                      |                      | -                                      |
| TOTAL CASH RECEIPTS                   | <u>\$ 176,955.97</u> | <u>\$ 184,600.00</u> | <u>\$ (7,644.03)</u>                   |
| EXPENDITURES                          |                      |                      |  |
| Appropriation                         | \$ 181,873.81        | \$ 184,600.00        | \$ 2,726.19                            |
|                                       |                      |                      | -                                      |
| TOTAL EXPENDITURES                    | <u>\$ 181,873.81</u> | <u>\$ 184,600.00</u> | <u>\$ 2,726.19</u>                     |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | \$ (4,917.84)        |                      |  |
| UNENCUMBERED CASH, BEGINNING          | <u>4,917.84</u>      |                      |  |
| UNENCUMBERED CASH, ENDING             | <u>\$ -</u>          |                      |  |

THE CITY OF INDEPENDENCE, KANSAS  
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES  
Regulatory Basis

DOWNTOWN TREE REPLACEMENT FUND

For the Year Ended December 31, 2013

|                                       | <u>Actual</u> |
|---------------------------------------|---------------|
| CASH RECEIPTS                         |               |
| Miscellaneous                         | \$ -          |
|                                       | <hr/>         |
| TOTAL CASH RECEIPTS                   | \$ -          |
|                                       | <hr/>         |
| EXPENDITURES                          |               |
| Appropriation                         | \$ -          |
|                                       | <hr/>         |
| TOTAL EXPENDITURES                    | \$ -          |
|                                       | <hr/>         |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | \$ -          |
|                                       | <hr/>         |
| UNENCUMBERED CASH, BEGINNING          | 1,000.00      |
|                                       | <hr/>         |
| UNENCUMBERED CASH, ENDING             | \$ 1,000.00   |
|                                       | <hr/>         |

## THE CITY OF INDEPENDENCE, KANSAS

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET  
Regulatory BasisSPECIAL PARK & RECREATION FUND

For the Year Ended December 31, 2013

|                                       | <u>Actual</u>       | <u>Budget</u>       | Variance<br>Favorable<br>(Unfavorable) |
|---------------------------------------|---------------------|---------------------|--|
| CASH RECEIPTS                         |                     |                     |  |
| Liquor Taxes                          | \$ 33,752.65        | \$ 23,000.00        | \$ 10,752.65                           |
| Other revenue                         | -                   | 6,300.00            | (6,300.00)                             |
| TOTAL CASH RECEIPTS                   | <u>\$ 33,752.65</u> | <u>\$ 29,300.00</u> | <u>\$ 4,452.65</u>                     |
| EXPENDITURES                          |                     |                     |  |
| Contractual                           | \$ 24,000.00        | \$ 24,000.00        | -                                      |
| Reimbursed Expense                    | -                   | -                   | -                                      |
| TOTAL EXPENDITURES                    | <u>\$ 24,000.00</u> | <u>\$ 24,000.00</u> | <u>\$ -</u>                            |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | \$ 9,752.65         |                     |  |
| UNENCUMBERED CASH, BEGINNING          | <u>25,979.79</u>    |                     |  |
| UNENCUMBERED CASH, ENDING             | <u>\$ 35,732.44</u> |                     |  |

## THE CITY OF INDEPENDENCE, KANSAS

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET  
Regulatory BasisSPECIAL ALCOHOL FUND

For the Year Ended December 31, 2013

|                                       | <u>Actual</u>       | <u>Budget</u>       | Variance<br>Favorable<br>(Unfavorable) |
|---------------------------------------|---------------------|---------------------|--|
| CASH RECEIPTS                         |                     |                     |  |
| Liquor Taxes                          | \$ 28,384.51        | \$ 30,000.00        | \$ (1,615.49)                          |
| TOTAL CASH RECEIPTS                   | <u>\$ 28,384.51</u> | <u>\$ 30,000.00</u> | <u>\$ (1,615.49)</u>                   |
| EXPENDITURES                          |                     |                     |  |
| Contractual                           | \$ 28,384.51        | \$ 30,000.00        | \$ 1,615.49                            |
| TOTAL EXPENDITURES                    | <u>\$ 28,384.51</u> | <u>\$ 30,000.00</u> | <u>\$ 1,615.49</u>                     |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | \$ -                |                     |  |
| UNENCUMBERED CASH, BEGINNING          | <u>-</u>            |                     |  |
| UNENCUMBERED CASH, ENDING             | <u>\$ -</u>         |                     |  |

THE CITY OF INDEPENDENCE, KANSAS  
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES  
Regulatory Basis

DEMOLITION FUND

For the Year Ended December 31, 2013

|                                       | <u>Actual</u>             |
|---------------------------------------|---------------------------|
| CASH RECEIPTS                         |                           |
| Housing Authority                     | \$ 20,000.00              |
| Insurance Proceeds                    | 1,500.00                  |
| Transfers                             | 3.28                      |
|                                       | <hr/>                     |
| TOTAL CASH RECEIPTS                   | <u>\$ 21,503.28</u>       |
| EXPENDITURES                          |                           |
| Contractual                           | <u>\$ 15,450.00</u>       |
| TOTAL EXPENDITURES                    | <u>\$ 15,450.00</u>       |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | \$ 6,053.28               |
| UNENCUMBERED CASH, BEGINNING          | <u>2,565.00</u>           |
| UNENCUMBERED CASH, ENDING             | <u><u>\$ 8,618.28</u></u> |

## THE CITY OF INDEPENDENCE, KANSAS

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET  
Regulatory BasisLIABILITY INSURANCE FUND

For the Year Ended December 31, 2013

|                                       | <u>Actual</u>       | <u>Budget</u>       | Variance<br>Favorable<br>(Unfavorable) |
|---------------------------------------|---------------------|---------------------|--|
| CASH RECEIPTS                         |                     |                     |  |
| Taxes                                 | \$ 58,464.41        | \$ 62,000.00        | \$ (3,535.59)                          |
| Transfers                             | 11,000.00           |                     | 11,000.00                              |
| TOTAL CASH RECEIPTS                   | <u>\$ 69,464.41</u> | <u>\$ 62,000.00</u> | <u>\$ 7,464.41</u>                     |
| EXPENDITURES                          |                     |                     |  |
| Contractual                           | \$ 58,128.40        | \$ 62,000.00        | \$ 3,871.60                            |
| TOTAL EXPENDITURES                    | <u>\$ 58,128.40</u> | <u>\$ 62,000.00</u> | <u>\$ 3,871.60</u>                     |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | \$ 11,336.01        |                     |  |
| UNENCUMBERED CASH, BEGINNING          | <u>5,566.33</u>     |                     |  |
| UNENCUMBERED CASH, ENDING             | <u>\$ 16,902.34</u> |                     |  |

THE CITY OF INDEPENDENCE, KANSAS  
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES  
 Regulatory Basis

E-911 FUND

For the Year Ended December 31, 2013

|                                       | <u>Actual</u>                  |
|---------------------------------------|--------------------------------|
| CASH RECEIPTS                         |                                |
| 911 Fees                              | \$ -                           |
| Reimbursements                        | 1,544.58                       |
| Interest                              | 250.43                         |
|                                       | <hr/>                          |
| TOTAL CASH RECEIPTS                   | <u>\$ 1,795.01</u>             |
| EXPENDITURES                          |                                |
| Contractual                           | \$ -                           |
| Capital Outlay                        | -                              |
|                                       | <hr/>                          |
| TOTAL EXPENDITURES                    | <u>\$ -</u>                    |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | <br>\$ 1,795.01                |
| UNENCUMBERED CASH, BEGINNING          | <br><u>92,505.91</u>           |
| UNENCUMBERED CASH, ENDING             | <br><u><u>\$ 94,300.92</u></u> |

## THE CITY OF INDEPENDENCE, KANSAS

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES  
Regulatory BasisQUALITY OF LIFE TAX CREDITS FUND

For the Year Ended December 31, 2013

|                                       | <u>Actual</u>        | <u>Budget</u>        | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|---------------------------------------|----------------------|----------------------|---|
| CASH RECEIPTS                         |                      |                      |   |
| Interest                              | \$ 132.38            | \$ -                 | \$ 132.38                                       |
| Sale of building                      | 82,045.89            | -                    | 82,045.89                                       |
|                                       |                      |                      |   |
| TOTAL CASH RECEIPTS                   | <u>\$ 82,178.27</u>  | <u>\$ -</u>          | <u>\$ 82,178.27</u>                             |
| EXPENDITURES                          |                      |                      |   |
| Capital Outlay                        | <u>\$ 110,053.75</u> | <u>\$ 413,708.00</u> | <u>\$ 303,654.25</u>                            |
|                                       |                      |                      |   |
| TOTAL EXPENDITURES                    | <u>\$ 110,053.75</u> | <u>\$ 413,708.00</u> | <u>\$ 303,654.25</u>                            |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | \$ (27,875.48)       |                      |   |
| UNENCUMBERED CASH, BEGINNING          | <u>413,696.13</u>    |                      |   |
|                                       |                      |                      |   |
| UNENCUMBERED CASH, ENDING             | <u>\$ 385,820.65</u> |                      |   |



## THE CITY OF INDEPENDENCE, KANSAS

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET  
Regulatory BasisQUALITY OF LIFE TAX PROJECTS FUND

For the Year Ended December 31, 2013

|                                       | <u>Actual</u>        | <u>Budget</u>        | Variance<br>Favorable<br>(Unfavorable) |
|---------------------------------------|----------------------|----------------------|--|
| CASH RECEIPTS                         |                      |                      |  |
| Insurance Proceeds                    | \$ 214,794.70        | \$ -                 | \$ 214,794.70                          |
| Interest                              | 697.95               | -                    | 697.95                                 |
|                                       |                      |                      |  |
| TOTAL CASH RECEIPTS                   | <u>\$ 215,492.65</u> | <u>\$ -</u>          | <u>\$ 215,492.65</u>                   |
| EXPENDITURES                          |                      |                      |  |
| Capital Outlay                        | \$ 289,624.06        | \$ 928,080.00        | \$ 638,455.94                          |
| Transfers                             | 552,132.00           | -                    | (552,132.00)                           |
|                                       |                      |                      |  |
| TOTAL EXPENDITURES                    | <u>\$ 841,756.06</u> | <u>\$ 928,080.00</u> | <u>\$ 86,323.94</u>                    |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | \$ (626,263.41)      |                      |  |
| UNENCUMBERED CASH, BEGINNING          | <u>927,676.17</u>    |                      |  |
| UNENCUMBERED CASH, ENDING             | <u>\$ 301,412.76</u> |                      |  |

THE CITY OF INDEPENDENCE, KANSAS  
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES  
Regulatory Basis

CULTURAL ARTS FUND

For the Year Ended December 31, 2013

|                                       | <u>Actual</u>             |
|---------------------------------------|---------------------------|
| CASH RECEIPTS                         |                           |
| Donations                             | \$ 64,250.00              |
|                                       | <hr/>                     |
| TOTAL CASH RECEIPTS                   | <u>\$ 64,250.00</u>       |
| EXPENDITURES                          |                           |
| Capital Outlay                        | <u>\$ 64,250.00</u>       |
| TOTAL EXPENDITURES                    | <u>\$ 64,250.00</u>       |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | \$ -                      |
| UNENCUMBERED CASH, BEGINNING          | <u>6,009.07</u>           |
| UNENCUMBERED CASH, ENDING             | <u><u>\$ 6,009.07</u></u> |

THE CITY OF INDEPENDENCE, KANSAS  
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES  
 Regulatory Basis

UNDERCOVER NARCOTIC FUND

For the Year Ended December 31, 2013

|                                       | <u>Actual</u>              |
|---------------------------------------|----------------------------|
| CASH RECEIPTS                         |                            |
| Other                                 | \$ -                       |
| Transfers                             | <u>7,787.00</u>            |
| TOTAL CASH RECEIPTS                   | <u>\$ 7,787.00</u>         |
| EXPENDITURES                          |                            |
| Project Costs                         | \$ 7,841.30                |
| Transfers                             | <u>-</u>                   |
| TOTAL EXPENDITURES                    | <u>\$ 7,841.30</u>         |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | \$ (54.30)                 |
| UNENCUMBERED CASH, BEGINNING          | <u>19,051.15</u>           |
| UNENCUMBERED CASH, ENDING             | <u><u>\$ 18,996.85</u></u> |

THE CITY OF INDEPENDENCE, KANSAS  
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES  
Regulatory Basis

DOWNTOWN INCUBATOR GRANT FUND

For the Year Ended December 31, 2013

|                                       | <u>Actual</u>    |
|---------------------------------------|------------------|
| CASH RECEIPTS                         |                  |
| Reimbursement                         | \$ 3,628.22      |
|                                       | <hr/>            |
| TOTAL CASH RECEIPTS                   | \$ 3,628.22      |
|                                       | <hr/>            |
| EXPENDITURES                          |                  |
| Project Costs                         | \$ -             |
| Transfers                             | <hr/>            |
| TOTAL EXPENDITURES                    | \$ -             |
|                                       | <hr/>            |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | \$ 3,628.22      |
| UNENCUMBERED CASH, BEGINNING          | <hr/> (3,628.22) |
| UNENCUMBERED CASH, ENDING             | <hr/> <hr/> \$ - |

THE CITY OF INDEPENDENCE, KANSAS  
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES  
Regulatory Basis

AIR TRAFFIC CONTROL TOWER FUND

For the Year Ended December 31, 2013

|                              | <u>Actual</u>                |
|------------------------------|------------------------------|
| CASH RECEIPTS                |                              |
| Cessna Reimbursement         | \$ 326,200.00                |
|                              | <hr/>                        |
| TOTAL CASH RECEIPTS          | <u>\$ 326,200.00</u>         |
| EXPENDITURES                 |                              |
| Contractual                  | \$ 297,575.00                |
|                              | <hr/>                        |
| TOTAL EXPENDITURES           | <u>\$ 297,575.00</u>         |
| RECEIPTS OVER (UNDER)        |                              |
| EXPENDITURES                 | \$ 28,625.00                 |
| UNENCUMBERED CASH, BEGINNING | <u>(55,325.00)</u>           |
| UNENCUMBERED CASH, ENDING    | <u><u>\$ (26,700.00)</u></u> |

THE CITY OF INDEPENDENCE, KANSAS  
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES  
Regulatory Basis

WASTE TIRE GRANT FUND

For the Year Ended December 31, 2013

|                                       | <u>Actual</u>           |
|---------------------------------------|-------------------------|
| CASH RECEIPTS                         |                         |
| Federal                               | <u>\$ -</u>             |
| TOTAL CASH RECEIPTS                   | <u>\$ -</u>             |
| EXPENDITURES                          |                         |
| Capital Outlay                        | <u>\$ -</u>             |
| Transfers                             | <u>-</u>                |
| TOTAL EXPENDITURES                    | <u>\$ -</u>             |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | <u>\$ -</u>             |
| UNENCUMBERED CASH, BEGINNING          | <u>272.71</u>           |
| UNENCUMBERED CASH, ENDING             | <u><u>\$ 272.71</u></u> |

## THE CITY OF INDEPENDENCE, KANSAS

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET  
Regulatory BasisKHRC # ESG-FFY2012

For the Year Ended December 31, 2013

|                                       | <u>Actual</u>           |
|---------------------------------------|-------------------------|
| CASH RECEIPTS                         |                         |
| Federal Grant                         | <u>\$ 18,831.67</u>     |
| TOTAL CASH RECEIPTS                   | <u>\$ 18,831.67</u>     |
| EXPENDITURES                          |                         |
| Project Costs - federal expenditures  | <u>\$ 18,297.85</u>     |
| TOTAL EXPENDITURES                    | <u>\$ 18,297.85</u>     |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | <u>\$ 533.82</u>        |
| UNENCUMBERED CASH, BEGINNING          | <u>106.68</u>           |
| UNENCUMBERED CASH, ENDING             | <u><u>\$ 640.50</u></u> |

## THE CITY OF INDEPENDENCE, KANSAS

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET  
Regulatory BasisBOND AND INTEREST FUND

For the Year Ended December 31, 2013

|                                       | CURRENT YEAR         |                      |  |
|---------------------------------------|----------------------|----------------------|--|
|                                       | <u>Actual</u>        | <u>Budget</u>        | Variance<br>Favorable<br>(Unfavorable) |
| CASH RECEIPTS                         |                      |                      |  |
| Taxes                                 | \$ 341,495.98        | \$ 354,000.00        | \$ (12,504.02)                         |
| Special Assessments                   | 58,430.83            | 63,800.00            | (5,369.17)                             |
| Transfers                             | 295,593.76           | 163,300.00           | 132,293.76                             |
| Other                                 | 8,129.32             | 8,000.00             | 129.32                                 |
| TOTAL CASH RECEIPTS                   | <u>\$ 703,649.89</u> | <u>\$ 589,100.00</u> | <u>\$ 114,420.57</u>                   |
| EXPENDITURES                          |                      |                      |  |
| Bond Pincipal                         | \$ 610,000.00        | \$ 610,000.00        | \$ -                                   |
| Interest                              | 214,290.02           | 215,100.00           | 809.98                                 |
| Revolving Loan Program                | 34,807.64            | 34,900.00            | 92.36                                  |
| Other Professional Services           | 2.50                 | 93,000.00            | 92,997.50                              |
| Transfers                             | -                    | -                    | -                                      |
| TOTAL EXPENDITURES                    | <u>\$ 859,100.16</u> | <u>\$ 953,000.00</u> | <u>\$ 93,899.84</u>                    |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | \$ (155,450.27)      |                      |  |
| UNENCUMBERED CASH, BEGINNING          | <u>374,080.34</u>    |                      |  |
| UNENCUMBERED CASH, ENDING             | <u>\$ 218,630.07</u> |                      |  |



THE CITY OF INDEPENDENCE, KANSAS  
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES  
Regulatory Basis

AIRPORT - MAP EXISTING AIRPORT CIR. FUND

For the Year Ended December 31, 2013

|                                       | <u>Actual</u>                |
|---------------------------------------|------------------------------|
| CASH RECEIPTS                         |                              |
| Transfers                             | <u>\$ 2,000.00</u>           |
| TOTAL CASH RECEIPTS                   | <u>\$ 2,000.00</u>           |
| EXPENDITURES                          |                              |
| Capital Outlay                        | <u>\$ 40,000.00</u>          |
| TOTAL EXPENDITURES                    | <u>\$ 40,000.00</u>          |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | \$ (38,000.00)               |
| UNENCUMBERED CASH, BEGINNING          | <u>-</u>                     |
| UNENCUMBERED CASH, ENDING             | <u><u>\$ (38,000.00)</u></u> |

THE CITY OF INDEPENDENCE, KANSAS  
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES  
Regulatory Basis

LOGAN FOUNTAIN FUND

For the Year Ended December 31, 2013

|                                       | <u>Actual</u>                    |
|---------------------------------------|----------------------------------|
| CASH RECEIPTS                         |                                  |
| Donations                             | <u>\$          100.00</u>        |
| TOTAL CASH RECEIPTS                   | <u>\$          100.00</u>        |
| EXPENDITURES                          |                                  |
| Capital Outlay                        | <u>\$              -</u>         |
| TOTAL EXPENDITURES                    | <u>\$              -</u>         |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | \$          100.00               |
| UNENCUMBERED CASH, BEGINNING          | <u>              -</u>           |
| UNENCUMBERED CASH, ENDING             | <u><u>\$          100.00</u></u> |

THE CITY OF INDEPENDENCE, KANSAS  
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES  
Regulatory Basis

AIRPORT - DESIGN TERMINAL UPGRADE FUND

For the Year Ended December 31, 2013

|                                       | <u>Actual</u>              |
|---------------------------------------|----------------------------|
| CASH RECEIPTS                         |                            |
| Transfers                             | <u>\$        1,000.00</u>  |
| TOTAL CASH RECEIPTS                   | <u>\$        1,000.00</u>  |
| EXPENDITURES                          |                            |
| Project Costs                         | <u>\$      20,000.00</u>   |
| TOTAL EXPENDITURES                    | <u>\$      20,000.00</u>   |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | \$      (19,000.00)        |
| UNENCUMBERED CASH, BEGINNING          | <u>-</u>                   |
| UNENCUMBERED CASH, ENDING             | <u>\$      (19,000.00)</u> |

THE CITY OF INDEPENDENCE, KANSAS  
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES  
Regulatory Basis

GEOMETRIC - 10TH & CHESTNUT FUND

For the Year Ended December 31, 2013

|                                       | <u>Actual</u>        |
|---------------------------------------|----------------------|
| CASH RECEIPTS                         |                      |
| Bond Proceeds                         | <u>\$ 695,375.00</u> |
| TOTAL CASH RECEIPTS                   | <u>\$ 695,375.00</u> |
| EXPENDITURES                          |                      |
| Project Costs                         | <u>\$ 77,203.85</u>  |
| TOTAL EXPENDITURES                    | <u>\$ 77,203.85</u>  |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | \$ 618,171.15        |
| UNENCUMBERED CASH, BEGINNING          | <u>-</u>             |
| UNENCUMBERED CASH, ENDING             | <u>\$ 618,171.15</u> |

THE CITY OF INDEPENDENCE, KANSAS  
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES  
Regulatory Basis

CDBG #13-PF-013 FUND

For the Year Ended December 31, 2013

|                                       | <u>Actual</u>          |
|---------------------------------------|------------------------|
| CASH RECEIPTS                         |                        |
| Transfers                             | <u>\$ 400,000.00</u>   |
| TOTAL CASH RECEIPTS                   | <u>\$ 400,000.00</u>   |
| EXPENDITURES                          |                        |
| Project Costs - federal expenditures  | \$ 507,933.80          |
| Project Costs - other                 | <u>400,000.00</u>      |
| TOTAL EXPENDITURES                    | <u>\$ 907,933.80</u>   |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | \$ (507,933.80)        |
| UNENCUMBERED CASH, BEGINNING          | <u>-</u>               |
| UNENCUMBERED CASH, ENDING             | <u>\$ (507,933.80)</u> |

THE CITY OF INDEPENDENCE, KANSAS  
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES  
Regulatory Basis

AIP 3-20-0036-20 FUND

For the Year Ended December 31, 2013

|                                       | <u>Actual</u>                     |
|---------------------------------------|-----------------------------------|
| CASH RECEIPTS                         |                                   |
| Federal grant funds                   | <u>\$        69,163.54</u>        |
| TOTAL CASH RECEIPTS                   | <u>\$        69,163.54</u>        |
| EXPENDITURES                          |                                   |
| Project Costs - federal expenditures  | \$      477,997.95                |
| Project Costs - other                 | \$       70,000.00                |
| Transfers                             | <u>        64,715.00</u>          |
| TOTAL EXPENDITURES                    | <u>\$      612,712.95</u>         |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | \$     (543,549.41)               |
| UNENCUMBERED CASH, BEGINNING          | <u>             350.00</u>        |
| UNENCUMBERED CASH, ENDING             | <u><u>\$     (543,199.41)</u></u> |

THE CITY OF INDEPENDENCE, KANSAS  
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES  
Regulatory Basis

2013 STREET PROJECTS FUND

For the Year Ended December 31, 2013

|                                       | <u>Actual</u>                 |
|---------------------------------------|-------------------------------|
| CASH RECEIPTS                         |                               |
| Bond Proceeds                         | <u>\$ 1,621,178.03</u>        |
| TOTAL CASH RECEIPTS                   | <u>\$ 1,621,178.03</u>        |
| EXPENDITURES                          |                               |
| Project Costs                         | <u>\$ 343,664.51</u>          |
| TOTAL EXPENDITURES                    | <u>\$ 343,664.51</u>          |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | <u>\$ 1,277,513.52</u>        |
| UNENCUMBERED CASH, BEGINNING          | <u>-</u>                      |
| UNENCUMBERED CASH, ENDING             | <u><u>\$ 1,277,513.52</u></u> |

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES  
Regulatory BasisADA DJ # 204-29-144 FUND

For the Year Ended December 31, 2013

|                                       |                             |
|---------------------------------------|-----------------------------|
|                                       | <u>Actual</u>               |
| CASH RECEIPTS                         |                             |
| Transfers                             | \$ 795,632.00               |
|                                       | <hr/>                       |
| TOTAL CASH RECEIPTS                   | <u>\$ 795,632.00</u>        |
| EXPENDITURES                          |                             |
| Project Costs                         | \$ 1,531,134.00             |
| Transfers                             | 400,000.00                  |
|                                       | <hr/>                       |
| TOTAL EXPENDITURES                    | <u>\$ 1,931,134.00</u>      |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | \$ (1,135,502.00)           |
| UNENCUMBERED CASH, BEGINNING          | <u>1,900,477.43</u>         |
| UNENCUMBERED CASH, ENDING             | <u><u>\$ 764,975.43</u></u> |



THE CITY OF INDEPENDENCE, KANSAS  
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES  
Regulatory Basis

KHRC # ESG-FFY2011 FUND

For the Year Ended December 31, 2013

|                                       | <u>Actual</u>           |
|---------------------------------------|-------------------------|
| CASH RECEIPTS                         |                         |
| Federal                               | \$ -                    |
|                                       | <hr/>                   |
| TOTAL CASH RECEIPTS                   | \$ -                    |
|                                       | <hr/>                   |
| EXPENDITURES                          |                         |
| Sub Grant                             | \$ -                    |
|                                       | <hr/>                   |
| TOTAL EXPENDITURES                    | \$ -                    |
|                                       | <hr/>                   |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | \$ -                    |
|                                       | <hr/>                   |
| UNENCUMBERED CASH, BEGINNING          | <u>795.47</u>           |
| UNENCUMBERED CASH, ENDING             | <u><u>\$ 795.47</u></u> |

## THE CITY OF INDEPENDENCE, KANSAS

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES  
Regulatory Basis10TH & MAIN TO 10TH & LAUREL STREET IMPROVEMENTS FUND

For the Year Ended December 31, 2013

|                                       | <u>Actual</u>                 |
|---------------------------------------|-------------------------------|
| CASH RECEIPTS                         |                               |
| Bond Proceeds                         | \$ 83,146.40                  |
|                                       | <hr/>                         |
| TOTAL CASH RECEIPTS                   | <u>\$ 83,146.40</u>           |
| EXPENDITURES                          |                               |
| Project Costs                         | \$ 258,708.46                 |
|                                       | <hr/>                         |
| TOTAL EXPENDITURES                    | <u>\$ 258,708.46</u>          |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | \$ (175,562.06)               |
| UNENCUMBERED CASH, BEGINNING          | <hr/> -                       |
| UNENCUMBERED CASH, ENDING             | <u><u>\$ (175,562.06)</u></u> |

THE CITY OF INDEPENDENCE, KANSAS  
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES  
 Regulatory Basis

USD #446 SCHOOL INFRASTRUCTURE FUND

For the Year Ended December 31, 2013

|                                       | <u>Actual</u>  |
|---------------------------------------|----------------|
| CASH RECEIPTS                         |                |
| Miscellaneous                         | \$ -           |
|                                       | <hr/>          |
| TOTAL CASH RECEIPTS                   | \$ -           |
|                                       | <hr/>          |
| EXPENDITURES                          |                |
| Capital Outlay                        | \$ 16,580.00   |
|                                       | <hr/>          |
| TOTAL EXPENDITURES                    | \$ 16,580.00   |
|                                       | <hr/>          |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | \$ (16,580.00) |
|                                       | <hr/>          |
| UNENCUMBERED CASH, BEGINNING          | 39,015.35      |
|                                       | <hr/>          |
| UNENCUMBERED CASH, ENDING             | \$ 22,435.35   |
|                                       | <hr/> <hr/>    |

## THE CITY OF INDEPENDENCE, KANSAS

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES  
Regulatory BasisAIP #3-20-0036-17/19 FUND

For the Year Ended December 31, 2013

|                                       | <u>Actual</u> |
|---------------------------------------|---------------|
| CASH RECEIPTS                         |               |
| Federal grant funds                   | \$ 89,286.57  |
|                                       | <hr/>         |
| TOTAL CASH RECEIPTS                   | \$ 89,286.57  |
|                                       | <hr/>         |
| EXPENDITURES                          |               |
| Capital Outlay                        | \$ -          |
| Transfers                             | 5,040.10      |
|                                       | <hr/>         |
| TOTAL EXPENDITURES                    | \$ 5,040.10   |
|                                       | <hr/>         |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | \$ 84,246.47  |
| UNENCUMBERED CASH, BEGINNING          | (168,025.22)  |
| PRIOR YEAR CANCELLED ENCUMBRANCES     | 83,778.75     |
|                                       | <hr/>         |
| UNENCUMBERED CASH, ENDING             | \$ -          |
|                                       | <hr/>         |

THE CITY OF INDEPENDENCE, KANSAS  
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES  
Regulatory Basis

AIRPORT - UPGRADE RESTROOMS FUND

For the Year Ended December 31, 2013

|                                       | <u>Actual</u>             |
|---------------------------------------|---------------------------|
| CASH RECEIPTS                         |                           |
| Transfers                             | \$ 2,500.00               |
|                                       | <hr/>                     |
| TOTAL CASH RECEIPTS                   | <u>\$ 2,500.00</u>        |
| EXPENDITURES                          |                           |
| Project Costs                         | <u>\$ -</u>               |
| TOTAL EXPENDITURES                    | <u>\$ -</u>               |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | \$ 2,500.00               |
| UNENCUMBERED CASH, BEGINNING          | <hr/> -                   |
| UNENCUMBERED CASH, ENDING             | <u><u>\$ 2,500.00</u></u> |

THE CITY OF INDEPENDENCE, KANSAS  
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES  
 Regulatory Basis

2010 MEMORIAL HALL IMPROVEMENT FUND

For the Year Ended December 31, 2013

|                                       | <u>Actual</u>       |
|---------------------------------------|---------------------|
| CASH RECEIPTS                         |                     |
| Transfers                             | \$ 12,500.00        |
|                                       | <hr/>               |
| TOTAL CASH RECEIPTS                   | <u>\$ 12,500.00</u> |
| EXPENDITURES                          |                     |
| Capital Outlay                        | \$ 12,500.00        |
|                                       | <hr/>               |
| TOTAL EXPENDITURES                    | <u>\$ 12,500.00</u> |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | \$ -                |
| UNENCUMBERED CASH, BEGINNING          | <hr/>               |
|                                       | -                   |
| UNENCUMBERED CASH, ENDING             | <u><u>\$ -</u></u>  |

THE CITY OF INDEPENDENCE, KANSAS  
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES  
Regulatory Basis

SOUTHEAST LIFT STATION FUND

For the Year Ended December 31, 2013

|                                       | <u>Actual</u>            |
|---------------------------------------|--------------------------|
| CASH RECEIPTS                         |                          |
| State grant funds                     | \$ 66,947.38             |
| Other                                 | -                        |
| TOTAL CASH RECEIPTS                   | <u>\$ 66,947.38</u>      |
| EXPENDITURES                          |                          |
| Project Costs                         | <u>\$ 2,175,632.25</u>   |
| TOTAL EXPENDITURES                    | <u>\$ 2,175,632.25</u>   |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | \$ (2,108,684.87)        |
| UNENCUMBERED CASH, BEGINNING          | <u>(220,000.00)</u>      |
| UNENCUMBERED CASH, ENDING             | <u>\$ (2,328,684.87)</u> |

THE CITY OF INDEPENDENCE, KANSAS  
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES  
Regulatory Basis

WEST MAIN - 10TH TO 18TH FUND

For the Year Ended December 31, 2013

|                                       | <u>Actual</u>              |
|---------------------------------------|----------------------------|
| CASH RECEIPTS                         |                            |
| State grant funds                     | \$ 3,625.54                |
| Bond proceeds                         | <u>858,850.00</u>          |
| TOTAL CASH RECEIPTS                   | <u>\$ 862,475.54</u>       |
| EXPENDITURES                          |                            |
| Project Costs                         | <u>\$ 778,582.50</u>       |
| TOTAL EXPENDITURES                    | <u>\$ 778,582.50</u>       |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | \$ 83,893.04               |
| UNENCUMBERED CASH, BEGINNING          | <u>(2,543.95)</u>          |
| UNENCUMBERED CASH, ENDING             | <u><u>\$ 81,349.09</u></u> |



## THE CITY OF INDEPENDENCE, KANSAS

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET  
Regulatory BasisAIRPORT FUND

For the Year Ended December 31, 2013

|                                       | <u>Actual</u>        | <u>Budget</u>        | Variance<br>Favorable<br>(Unfavorable) |
|---------------------------------------|----------------------|----------------------|--|
| CASH RECEIPTS                         |                      |                      |  |
| Fuel Sales                            | \$ 576,400.36        | \$ 581,000.00        | \$ (4,599.64)                          |
| Rentals                               | 85,515.79            | 86,400.00            | (884.21)                               |
| Miscellaneous                         | 36,412.76            |                      | 36,412.76                              |
| Transfers                             | 69,755.10            |                      | 69,755.10                              |
|                                       |                      |                      |  |
| TOTAL CASH RECEIPTS                   | <u>\$ 768,084.01</u> | <u>\$ 667,400.00</u> | <u>\$ 100,684.01</u>                   |
| EXPENDITURES                          |                      |                      |  |
| Personnel                             | \$ 94,120.88         | \$ 101,200.00        | \$ 7,079.12                            |
| Contractual Services                  | 96,437.00            | 96,900.00            | 463.00                                 |
| Commodities                           | 588,941.96           | 431,900.00           | (157,041.96)                           |
| Capital Outlay - federal expenditures | 3,750.00             |                      | (3,750.00)                             |
|                                       | 11,344.11            | 170,000.00           | 158,655.89                             |
| Transfers                             | 5,500.00             |                      | (5,500.00)                             |
|                                       |                      |                      | -                                      |
|                                       |                      |                      |  |
| TOTAL EXPENDITURES                    | <u>\$ 800,093.95</u> | <u>\$ 800,000.00</u> | <u>\$ (93.95)</u>                      |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | \$ (32,009.94)       |                      |  |
| UNENCUMBERED CASH, BEGINNING          | <u>153,242.74</u>    |                      |  |
|                                       |                      |                      |  |
| UNENCUMBERED CASH, ENDING             | <u>\$ 121,232.80</u> |                      |  |

## THE CITY OF INDEPENDENCE, KANSAS

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET  
Regulatory BasisWATER & SEWER FUND

For the Year Ended December 31, 2013

|                                       | <u>Actual</u>                 | <u>Budget</u>          | Variance<br>Favorable<br>(Unfavorable) |
|---------------------------------------|-------------------------------|------------------------|--|
| CASH RECEIPTS                         |                               |                        |  |
| Sales & fees                          | \$ 3,260,526.69               | \$ 3,339,200.00        | \$ (78,673.31)                         |
| Federal grant                         | \$ 3,750.00                   | \$ -                   | \$ 3,750.00                            |
| Miscellaneous                         | 254,036.31                    | -                      | 254,036.31                             |
| Interest Income                       | 1,354.84                      | -                      | 1,354.84                               |
| Transfers                             | -                             | -                      | -                                      |
|                                       |                               |                        |  |
| TOTAL CASH RECEIPTS                   | <u>\$ 3,519,667.84</u>        | <u>\$ 3,339,200.00</u> | <u>\$ 180,467.84</u>                   |
| EXPENDITURES                          |                               |                        |  |
| Personnel                             | \$ 1,637,444.69               | \$ 1,829,500.00        | \$ 192,055.31                          |
| Contractual Services                  | 652,168.47                    | 543,000.00             | (109,168.47)                           |
| Commodities                           | 559,537.06                    | 578,400.00             | 18,862.94                              |
| Capital Outlay                        | 624,241.78                    | 635,500.00             | 11,258.22                              |
| Transfers                             | 84,700.00                     | 457,800.00             | 373,100.00                             |
|                                       |                               |                        | -                                      |
|                                       |                               |                        |  |
| TOTAL EXPENDITURES                    | <u>\$ 3,558,092.00</u>        | <u>\$ 4,044,200.00</u> | <u>\$ 486,108.00</u>                   |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | <u>\$ (38,424.16)</u>         |                        |  |
| UNENCUMBERED CASH, BEGINNING          | <u>3,012,288.56</u>           |                        |  |
| UNENCUMBERED CASH, ENDING             | <u><u>\$ 2,973,864.40</u></u> |                        |  |

THE CITY OF INDEPENDENCE, KANSAS  
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES  
 Regulatory Basis

GRINDER PUMP REPLACEMENT FUND

For the Year Ended December 31, 2013

|                                       | <u>Actual</u>               |
|---------------------------------------|-----------------------------|
| CASH RECEIPTS                         |                             |
| Fees                                  | \$ 8,237.42                 |
| Interest                              | <u>337.53</u>               |
| TOTAL CASH RECEIPTS                   | <u>\$ 8,574.95</u>          |
| EXPENDITURES                          |                             |
| Capital Outlay                        | <u>\$ -</u>                 |
| TOTAL EXPENDITURES                    | <u>\$ -</u>                 |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | \$ 8,574.95                 |
| UNENCUMBERED CASH, BEGINNING          | <u>167,689.68</u>           |
| UNENCUMBERED CASH, ENDING             | <u><u>\$ 176,264.63</u></u> |

## THE CITY OF INDEPENDENCE, KANSAS

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET  
Regulatory BasisSANITATION FUND

For the Year Ended December 31, 2013

|                                       | CURRENT YEAR           |                        |  |
|---------------------------------------|------------------------|------------------------|--|
|                                       | <u>Actual</u>          | <u>Budget</u>          | Variance<br>Favorable<br>(Unfavorable) |
| CASH RECEIPTS                         |                        |                        |  |
| Fees                                  | \$ 1,055,058.69        | \$ 1,012,800.00        | \$ 42,258.69                           |
| Lease Purchase Proceeds               | \$ 112,500.00          | \$ -                   | \$ 112,500.00                          |
| Miscellaneous                         | 4,850.53               | -                      | 4,850.53                               |
| TOTAL CASH RECEIPTS                   | <u>\$ 1,172,409.22</u> | <u>\$ 1,012,800.00</u> | <u>\$ 159,609.22</u>                   |
| EXPENDITURES                          |                        |                        |  |
| Personnel                             | \$ 381,771.95          | \$ 445,900.00          | \$ 64,128.05                           |
| Contractual Services                  | 422,734.28             | 410,800.00             | (11,934.28)                            |
| Commodities                           | 87,782.28              | 82,000.00              | (5,782.28)                             |
| Capital Outlay                        | 168,729.46             | 206,500.00             | 37,770.54                              |
| TOTAL EXPENDITURES                    | <u>\$ 1,061,017.97</u> | <u>\$ 1,145,200.00</u> | <u>\$ 84,182.03</u>                    |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | \$ 111,391.25          |                        |  |
| UNENCUMBERED CASH, BEGINNING          | <u>179,966.60</u>      |                        |  |
| UNENCUMBERED CASH, ENDING             | <u>\$ 291,357.85</u>   |                        |  |

## SCHEDULE 3

THE CITY OF INDEPENDENCE, KANSAS  
AGENCY FUNDS  
SUMMARY OF CASH RECEIPTS AND EXPENDITURES  
Regulatory Basis  
For the Year Ended December 31, 2013

| <u>Fund</u>                  | <u>Beginning<br/>Cash Balance</u> | <u>Cash<br/>Receipts</u> | <u>Cash<br/>Disbursements</u> | <u>Ending<br/>Cash Balance</u> |
|------------------------------|-----------------------------------|--------------------------|-------------------------------|--------------------------------|
| Fire Insurance Proceeds Fund | \$ 11,320.00                      | \$ 40,959.49             | \$ 35,570.00                  | \$ 16,709.49                   |
| Alcohol Assessment Fund      | \$ 3,245.00                       | \$ 150.00                | \$ -                          | \$ 3,395.00                    |
| <br>TOTAL AGENCY FUNDS       | <br>\$ 14,565.00                  | <br>\$ 41,109.49         | <br>\$ 35,570.00              | <br>\$ 20,104.49               |

## THE CITY OF INDEPENDENCE, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET  
Regulatory BasisRELATED MUNICIPAL ENTITY - PUBLIC LIBRARY

For the Year Ended December 31, 2013

|   | <u>PUBLIC LIBRARY - GENERAL FUND</u> |                      |  |
|---|--------------------------------------|----------------------|--|
|   | <u>Actual</u>                        | <u>Budget</u>        | Variance<br>Favorable<br>(Unfavorable) |
| <b>CASH RECEIPTS</b>                          |                                      |                      |  |
| Appropriation from the City                   | \$ 202,552.74                        | \$ 226,450.00        | \$ (23,897.26)                         |
| Appropriation from USD 446                    | 219,006.70                           | 227,000.00           | (7,993.30)                             |
| Donations                                     | 29,785.58                            | 10,000.00            | 19,785.58                              |
| State & Regional Libraries                    | 5,282.00                             | 5,500.00             | (218.00)                               |
| Other Grants                                  | 9,284.80                             | 10,000.00            | (715.20)                               |
| Interest                                      | 324.44                               | 1,500.00             | (1,175.56)                             |
| Miscellaneous                                 | 12,092.95                            | 10,000.00            | 2,092.95                               |
| <b>TOTAL CASH RECEIPTS</b>                    | <u>\$ 478,329.21</u>                 | <u>\$ 490,450.00</u> | <u>\$ (12,120.79)</u>                  |
| <b>EXPENDITURES</b>                           |                                      |                      |  |
| Personnel                                     | \$ 298,609.89                        | \$ 301,000.00        | \$ 2,390.11                            |
| Materials Expense                             | 70,759.76                            | 61,200.00            | (9,559.76)                             |
| Operating Expense                             | 119,259.13                           | 137,245.00           | 17,985.87                              |
| Capital Outlay                                | 1,174.67                             | 4,000.00             | 2,825.33                               |
| Miscellaneous                                 | 39.25                                | -                    | (39.25)                                |
| <b>TOTAL EXPENDITURES</b>                     | <u>\$ 489,842.70</u>                 | <u>\$ 503,445.00</u> | <u>\$ 13,602.30</u>                    |
| <b>RECEIPTS OVER (UNDER)<br/>EXPENDITURES</b> | <u>\$ (11,513.49)</u>                |                      |  |
| <b>UNENCUMBERED CASH, BEGINNING</b>           | <u>89,758.84</u>                     |                      |  |
| <b>UNENCUMBERED CASH, ENDING</b>              | <u>\$ 78,245.35</u>                  |                      |  |

## THE CITY OF INDEPENDENCE, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET  
Regulatory BasisRELATED MUNICIPAL ENTITY - PUBLIC LIBRARY

For the Year Ended December 31, 2013

|                                       | <u>PUBLIC LIBRARY - EMPLOYEE BENEFIT FUND</u> |                     |  |
|---------------------------------------|---|---------------------|--|
|                                       | <u>Actual</u>                                 | <u>Budget</u>       | Variance<br>Favorable<br>(Unfavorable) |
| CASH RECEIPTS                         |   |                     |  |
| Appropriation from the City           | \$ 78,722.65                                  | \$ 81,700.00        | \$ (2,977.35)                          |
| Other                                 | -   | -                   | -                                      |
| TOTAL CASH RECEIPTS                   | <u>\$ 78,722.65</u>                           | <u>\$ 81,700.00</u> | <u>\$ (2,977.35)</u>                   |
| EXPENDITURES                          |   |                     |  |
| Health Insurance                      | \$ 37,608.48                                  | \$ 30,180.00        | \$ (7,428.48)                          |
| KPERS                                 | 19,888.58                                     | 24,000.00           | 4,111.42                               |
| Payroll taxes                         | 22,823.80                                     | 26,500.00           | 3,676.20                               |
| Insurance                             | 479.65  | 1,020.00            | 540.35                                 |
|                                       | -   | -                   | -                                      |
| TOTAL EXPENDITURES                    | <u>\$ 80,800.51</u>                           | <u>\$ 81,700.00</u> | <u>\$ 899.49</u>                       |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | \$ (2,077.86)                                 |                     |  |
| UNENCUMBERED CASH, BEGINNING          | <u>2,959.52</u>                               |                     |  |
| UNENCUMBERED CASH, ENDING             | <u>\$ 881.66</u>                              |                     |  |

## THE CITY OF INDEPENDENCE, KANSAS

SUMMARY OF CASH RECEIPTS AND EXPENDITURES-ACTUAL  
Regulatory Basis

## RELATED MUNICIPAL ENTITY - INDEPENDENCE HOUSING AUTHORITY

For the Year Ended December 31, 2013

|                              | Housing/<br>Development<br>Fund | Housing/<br>Replacement<br>Fund | McKinley<br>Deposit<br>Fund | McKinley<br>Operating<br>Fund | Surplus<br>Fund | Penn Terrace<br>Fund | Chaney<br>Fund | Earl St.<br>Fund | Cedar<br>Point<br>Fund |
|------------------------------|---------------------------------|---------------------------------|-----------------------------|-------------------------------|-----------------|----------------------|----------------|------------------|------------------------|
| UNENCUMBERED CASH, BEGINNING | \$ 1,044,824.24                 | \$ 200,198.00                   | \$ 10,700.62                | \$ 977.21                     | \$ 3,957,206.55 | \$ 77,215.34         | \$ 3,176.20    | \$ (610.67)      | \$ 2,052.14            |
| REVENUES:                    |                                 |                                 |                             |                               |                 |                      |                |                  |                        |
| Rent                         | \$ -                            | \$ -                            | \$ -                        | \$ 111,448.06                 | \$ -            | \$ 340,518.00        | \$ 19,869.00   | \$ 10,608.00     | \$ 48,712.57           |
| Cable                        | 219,348.00                      |                                 |                             |                               |                 | 16,006.92            |                |                  |                        |
| Home Sales                   |                                 |                                 |                             |                               |                 | 348,234.00           |                |                  |                        |
| Federal                      |                                 |                                 |                             |                               |                 |                      |                |                  |                        |
| Grants                       |                                 |                                 |                             |                               |                 |                      |                |                  |                        |
| Interest                     | 1,430.42                        | 388.60                          | 29.64                       | 65.04                         | 5,075.48        | 288.12               | 4.88           | 1.92             | 36.76                  |
| Miscellaneous                |                                 |                                 |                             | 1,512.44                      |                 | 1,848.30             | 260.00         | 200.00           | 1,863.42               |
| Security Deposits            |                                 |                                 | 2,718.00                    |                               |                 |                      |                |                  |                        |
| HAP                          |                                 |                                 |                             | 18,765.00                     |                 |                      | 2,631.00       |                  | 8,715.00               |
| Transfers                    |                                 |                                 |                             |                               |                 |                      | 16,519.57      | 7,230.61         |                        |
| TOTAL REVENUE                | \$ 220,778.42                   | \$ 388.60                       | \$ 2,747.64                 | \$ 131,790.54                 | \$ 5,075.48     | \$ 706,895.34        | \$ 39,284.45   | \$ 18,040.53     | \$ 59,327.75           |
| EXPENDITURES:                |                                 |                                 |                             |                               |                 |                      |                |                  |                        |
| Personnel                    | \$ -                            | \$ -                            | \$ -                        | \$ -                          | \$ -            | \$ 325,351.10        | \$ -           | \$ -             | \$ -                   |
| Contractual                  |                                 |                                 |                             | 92,675.78                     | 20,000.00       | 249,022.33           | 16,916.30      | 4,978.60         | 35,897.74              |
| Commodities                  | 522.48                          |                                 |                             | 21,787.58                     | 325.50          | 36,741.00            | 17,546.38      | 9,035.54         | 9,694.06               |
| Capital Outlay               | 45,375.24                       | 1,854.50                        | 1,241.72                    |                               |                 | 1,500.00             |                |                  |                        |
| Transfers                    |                                 |                                 |                             |                               |                 |                      |                |                  |                        |
| TOTAL EXPENDITURES           | \$ 45,897.72                    | \$ 1,854.50                     | \$ 1,241.72                 | \$ 114,463.36                 | \$ 20,325.50    | \$ 612,614.43        | \$ 34,462.68   | \$ 14,014.14     | \$ 45,591.80           |
| UNENCUMBERED CASH, ENDING    | \$ 1,219,704.94                 | \$ 198,732.10                   | \$ 12,206.54                | \$ 18,304.39                  | \$ 3,941,956.53 | \$ 171,497.25        | \$ 7,997.97    | \$ 3,415.72      | \$ 15,788.09           |
| UNENCUMBERED CASH, BEGINNING | \$ 26,285.55                    | \$ 16,310.84                    | \$ 122,079.92               | \$ 335,645.48                 | \$ 11,168.21    | \$ 60,253.41         | \$ 28,244.08   | \$ 36,851.16     | \$ 5,932,579.28        |
| REVENUES:                    |                                 |                                 |                             |                               |                 |                      |                |                  |                        |
| Rent                         | \$ 6,155.00                     | \$ -                            | \$ -                        | \$ -                          | \$ -            | \$ -                 | \$ -           | \$ -             | \$ 537,310.63          |
| Cable                        |                                 |                                 |                             |                               |                 |                      |                |                  | 16,006.92              |
| Home Sales                   |                                 |                                 |                             |                               |                 |                      |                |                  | 219,348.00             |
| Federal                      |                                 | 129,196.00                      |                             | 6,459.80                      |                 |                      |                |                  | 483,889.80             |
| Grants                       |                                 |                                 |                             |                               |                 |                      |                |                  |                        |
| Interest                     | 76.04                           | 43.70                           | 217.80                      | 546.26                        | 29.82           | 153.74               | 75.38          |                  | 8,463.60               |
| Miscellaneous                | 340.00                          | 444.00                          | 952.52                      |                               |                 |                      |                |                  | 7,420.68               |
| Security Deposits            |                                 |                                 | 11,595.34                   |                               |                 |                      |                |                  | 14,313.34              |
| HAP                          |                                 |                                 |                             |                               |                 |                      |                |                  | 30,111.00              |
| Transfers                    |                                 |                                 | 36,851.16                   |                               |                 |                      |                |                  | 60,601.34              |
| TOTAL REVENUE                | \$ 6,571.04                     | \$ 129,683.70                   | \$ 49,616.82                | \$ 7,006.06                   | \$ 29.82        | \$ 153.74            | \$ 75.38       | \$ -             | \$ 1,377,465.31        |
| EXPENDITURES:                |                                 |                                 |                             |                               |                 |                      |                |                  |                        |
| Personnel                    | \$ -                            | \$ -                            | \$ -                        | \$ -                          | \$ -            | \$ -                 | \$ -           | \$ -             | \$ 325,351.10          |
| Contractual                  | 3,953.00                        |                                 | 1,400.00                    |                               |                 |                      |                |                  | 424,843.75             |
| Commodities                  | 536.96                          |                                 |                             | 30.00                         |                 |                      |                |                  | 96,219.50              |
| Capital Outlay               |                                 | 130,060.00                      | 5,373.67                    |                               |                 | 23,750.18            |                | 36,851.16        | 185,405.13             |
| Transfers                    |                                 |                                 |                             |                               |                 |                      |                |                  | 60,601.34              |
| TOTAL EXPENDITURES           | \$ 4,489.96                     | \$ 130,060.00                   | \$ 6,773.67                 | \$ 30.00                      | \$ -            | \$ 23,750.18         | \$ -           | \$ 36,851.16     | \$ 1,092,420.82        |
| UNENCUMBERED CASH, ENDING    | \$ 28,366.63                    | \$ 15,934.54                    | \$ 164,923.07               | \$ 342,621.54                 | \$ 11,198.03    | \$ 36,658.97         | \$ 28,319.46   | \$ -             | \$ 6,217,623.77        |



## THE CITY OF INDEPENDENCE, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET  
Regulatory BasisRELATED MUNICIPAL ENTITY - PUBLIC LIBRARY

For the Year Ended December 31, 2013

|                                       | <u>PUBLIC LIBRARY - GENERAL FUND</u> |                      |  |
|---------------------------------------|--------------------------------------|----------------------|--|
|                                       | <u>Actual</u>                        | <u>Budget</u>        | Variance<br>Favorable<br>(Unfavorable) |
| CASH RECEIPTS                         |                                      |                      |  |
| Appropriation from the City           | \$ 202,552.74                        | \$ 226,450.00        | \$ (23,897.26)                         |
| Appropriation from USD 446            | 219,006.70                           | 227,000.00           | (7,993.30)                             |
| Donations                             | 29,785.58                            | 10,000.00            | 19,785.58                              |
| State & Regional Libraries            | 5,282.00                             | 5,500.00             | (218.00)                               |
| Other Grants                          | 9,284.80                             | 10,000.00            | (715.20)                               |
| Interest                              | 324.44                               | 1,500.00             | (1,175.56)                             |
| Miscellaneous                         | 12,092.95                            | 10,000.00            | 2,092.95                               |
| TOTAL CASH RECEIPTS                   | <u>\$ 478,329.21</u>                 | <u>\$ 490,450.00</u> | <u>\$ (12,120.79)</u>                  |
| EXPENDITURES                          |                                      |                      |  |
| Personnel                             | \$ 298,609.89                        | \$ 301,000.00        | \$ 2,390.11                            |
| Materials Expense                     | 70,759.76                            | 61,200.00            | (9,559.76)                             |
| Operating Expense                     | 119,259.13                           | 137,245.00           | 17,985.87                              |
| Capital Outlay                        | 1,174.67                             | 4,000.00             | 2,825.33                               |
| Miscellaneous                         | 39.25                                | -                    | (39.25)                                |
| TOTAL EXPENDITURES                    | <u>\$ 489,842.70</u>                 | <u>\$ 503,445.00</u> | <u>\$ 13,602.30</u>                    |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | \$ (11,513.49)                       |                      |  |
| UNENCUMBERED CASH, BEGINNING          | <u>89,758.84</u>                     |                      |  |
| UNENCUMBERED CASH, ENDING             | <u>\$ 78,245.35</u>                  |                      |  |

## THE CITY OF INDEPENDENCE, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET  
Regulatory BasisRELATED MUNICIPAL ENTITY - PUBLIC LIBRARY

For the Year Ended December 31, 2013

|                                       | <u>PUBLIC LIBRARY - EMPLOYEE BENEFIT FUND</u> |                     |  |
|---------------------------------------|---|---------------------|--|
|                                       | <u>Actual</u>                                 | <u>Budget</u>       | Variance<br>Favorable<br>(Unfavorable) |
| CASH RECEIPTS                         |   |                     |  |
| Appropriation from the City           | \$ 78,722.65                                  | \$ 81,700.00        | \$ (2,977.35)                          |
| Other                                 | -   | -                   | -                                      |
| TOTAL CASH RECEIPTS                   | <u>\$ 78,722.65</u>                           | <u>\$ 81,700.00</u> | <u>\$ (2,977.35)</u>                   |
| EXPENDITURES                          |   |                     |  |
| Health Insurance                      | \$ 37,608.48                                  | \$ 30,180.00        | \$ (7,428.48)                          |
| KPERS                                 | 19,888.58                                     | 24,000.00           | 4,111.42                               |
| Payroll taxes                         | 22,823.80                                     | 26,500.00           | 3,676.20                               |
| Insurance                             | 479.65  | 1,020.00            | 540.35                                 |
|                                       | -   | -                   | -                                      |
| TOTAL EXPENDITURES                    | <u>\$ 80,800.51</u>                           | <u>\$ 81,700.00</u> | <u>\$ 899.49</u>                       |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | \$ (2,077.86)                                 |                     |  |
| UNENCUMBERED CASH, BEGINNING          | <u>2,959.52</u>                               |                     |  |
| UNENCUMBERED CASH, ENDING             | <u>\$ 881.66</u>                              |                     |  |

## THE CITY OF INDEPENDENCE, KANSAS

SUMMARY OF CASH RECEIPTS AND EXPENDITURES-ACTUAL  
Regulatory BasisRELATED MUNICIPAL ENTITY - INDEPENDENCE HOUSING AUTHORITY

For the Year Ended December 31, 2013

|                              | Housing/<br>Development<br>Fund | Housing/<br>Replacement<br>Fund | McKinley<br>Deposit<br>Fund | McKinley<br>Operating<br>Fund | Surplus<br>Fund | Penn Terrace<br>Fund | Chaney<br>Fund | Earl St<br>Fund | Cedar<br>Point<br>Fund |
|------------------------------|---------------------------------|---------------------------------|-----------------------------|-------------------------------|-----------------|----------------------|----------------|-----------------|------------------------|
| UNENCUMBERED CASH, BEGINNING | \$ 1,044,824.24                 | \$ 200,198.00                   | \$ 10,700.62                | \$ 977.21                     | \$ 3,957,206.55 | \$ 77,216.34         | \$ 3,176.20    | \$ (610.67)     | \$ 2,052.14            |
| REVENUES:                    |                                 |                                 |                             |                               |                 |                      |                |                 |                        |
| Rent                         | \$ -                            | \$ -                            | \$ -                        | \$ 111,448.06                 | \$ -            | \$ 340,518.00        | \$ 19,869.00   | \$ 10,608.00    | \$ 48,712.57           |
| Cable                        | 219,348.00                      |                                 |                             |                               |                 | 16,006.92            |                |                 |                        |
| Home Sales                   |                                 |                                 |                             |                               |                 | 348,234.00           |                |                 |                        |
| Federal                      |                                 |                                 |                             |                               |                 |                      |                |                 |                        |
| Grants                       |                                 |                                 |                             |                               |                 |                      |                |                 |                        |
| Interest                     | 1,430.42                        | 388.60                          | 29.64                       | 65.04                         | 5,075.48        | 288.12               | 4.88           | 1.92            | 36.76                  |
| Miscellaneous                |                                 |                                 |                             | 1,512.44                      |                 | 1,948.30             | 260.00         | 200.00          | 1,863.42               |
| Security Deposits            |                                 |                                 |                             |                               |                 |                      |                |                 |                        |
| HAP                          |                                 |                                 | 2,718.00                    |                               |                 |                      | 2,631.00       |                 | 8,715.00               |
| Transfers                    |                                 |                                 |                             | 18,765.00                     |                 |                      | 16,519.57      | 7,230.61        |                        |
| TOTAL REVENUE                | \$ 220,778.42                   | \$ 388.60                       | \$ 2,747.64                 | \$ 131,790.54                 | \$ 5,075.48     | \$ 706,895.34        | \$ 39,284.45   | \$ 18,040.53    | \$ 59,327.75           |
| EXPENDITURES:                |                                 |                                 |                             |                               |                 |                      |                |                 |                        |
| Personnel                    | \$ -                            | \$ -                            | \$ -                        | \$ -                          | \$ -            | \$ 325,351.10        | \$ -           | \$ -            | \$ -                   |
| Contractual                  | 522.48                          |                                 |                             | 92,675.78                     | 20,000.00       | 249,022.33           | 16,916.30      | 4,978.60        | 35,897.74              |
| Commodities                  |                                 |                                 |                             | 21,787.58                     | 325.50          | 36,741.00            | 17,546.38      | 9,035.54        | 9,694.06               |
| Capital Outlay               | 45,375.24                       | 1,854.50                        | 1,241.72                    |                               |                 | 1,500.00             |                |                 |                        |
| Transfers                    |                                 |                                 |                             |                               |                 |                      |                |                 |                        |
| TOTAL EXPENDITURES           | \$ 45,897.72                    | \$ 1,854.50                     | \$ 1,241.72                 | \$ 114,463.36                 | \$ 20,325.50    | \$ 612,614.43        | \$ 34,462.68   | \$ 14,014.14    | \$ 45,591.80           |
| UNENCUMBERED CASH, ENDING    | \$ 1,219,704.94                 | \$ 198,732.10                   | \$ 12,206.54                | \$ 18,304.39                  | \$ 3,941,956.53 | \$ 171,497.25        | \$ 7,997.97    | \$ 3,415.72     | \$ 15,788.09           |
| UNENCUMBERED CASH, BEGINNING | \$ 26,285.55                    | \$ 16,310.84                    | \$ 122,079.92               | \$ 335,645.48                 | \$ 11,168.21    | \$ 60,253.41         | \$ 28,244.08   | \$ 36,851.16    | \$ 5,932,579.28        |
| REVENUES:                    |                                 |                                 |                             |                               |                 |                      |                |                 |                        |
| Rent                         | \$ 6,155.00                     | \$ -                            | \$ -                        | \$ -                          | \$ -            | \$ -                 | \$ -           | \$ -            | \$ 537,310.63          |
| Cable                        |                                 |                                 |                             |                               |                 |                      |                |                 | 16,006.92              |
| Home Sales                   |                                 |                                 |                             |                               |                 |                      |                |                 | 219,348.00             |
| Federal                      |                                 |                                 |                             |                               |                 |                      |                |                 | 483,889.80             |
| Grants                       |                                 |                                 |                             |                               |                 |                      |                |                 |                        |
| Interest                     | 76.04                           | 43.70                           | 217.80                      | 546.26                        | 29.82           | 153.74               | 75.38          |                 | 8,463.60               |
| Miscellaneous                | 340.00                          | 444.00                          | 952.52                      |                               |                 |                      |                |                 | 7,420.68               |
| Security Deposits            |                                 |                                 | 11,595.34                   |                               |                 |                      |                |                 | 14,313.34              |
| HAP                          |                                 |                                 |                             |                               |                 |                      |                |                 | 30,111.00              |
| Transfers                    |                                 |                                 | 36,851.16                   |                               |                 |                      |                |                 | 60,601.34              |
| TOTAL REVENUE                | \$ 6,571.04                     | \$ 129,683.70                   | \$ 49,616.82                | \$ 7,006.06                   | \$ 29.82        | \$ 153.74            | \$ 75.38       | \$ -            | \$ 1,377,465.31        |
| EXPENDITURES:                |                                 |                                 |                             |                               |                 |                      |                |                 |                        |
| Personnel                    | \$ -                            | \$ -                            | \$ -                        | \$ -                          | \$ -            | \$ -                 | \$ -           | \$ -            | \$ 325,351.10          |
| Contractual                  | 3,953.00                        |                                 | 1,400.00                    |                               |                 |                      |                |                 | 424,843.75             |
| Commodities                  | 536.96                          |                                 |                             | 30.00                         |                 |                      |                |                 | 96,219.50              |
| Capital Outlay               |                                 | 130,060.00                      | 5,373.67                    |                               |                 | 23,750.18            |                | 36,851.16       | 185,405.13             |
| Transfers                    |                                 |                                 |                             |                               |                 |                      |                |                 | 60,601.34              |
| TOTAL EXPENDITURES           | \$ 4,489.96                     | \$ 130,060.00                   | \$ 6,773.67                 | \$ 30.00                      | \$ -            | \$ 23,750.18         | \$ -           | \$ 36,851.16    | \$ 1,092,420.82        |
| UNENCUMBERED CASH, ENDING    | \$ 28,366.63                    | \$ 15,934.54                    | \$ 184,923.07               | \$ 342,621.54                 | \$ 11,198.03    | \$ 36,656.97         | \$ 28,319.46   | \$ -            | \$ 6,217,623.77        |

## CITY OF INDEPENDENCE, KANSAS

## SCHEDULE 5

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2013

| Agency:  | CFDA # | Pass-Through Entity<br>Identifying Number | Expenditures<br>(Notes to the<br>SEFA -1) |
|--|--------|---|---|
| <b>U.S. Department of Housing &amp; Urban Development (HUD)</b>                  |        |   |   |
| Passed through Kansas Housing Resource Corporation:                              |        |   |   |
| Section 8 Housing Assistance Payments  | 14.195 | 1001761                                   | \$ 348,234.00                             |
| Home Investments Partnerships - TBRA   | 14.239 | M-11-SG-20-0072                           | 36,473.85                                 |
| Home Investments Partnerships - TBRA   | 14.239 | M-11-SG-20-0120                           | 52,398.15                                 |
| Home Investments Partnerships - TBRA   | 14.239 | M-11-SG-20-0150                           | 46,783.80                                 |
| Emergency Solutions Grant  | 14.231 | E-12-DC20-001                             | 18,297.85                                 |
| Passed through the Kansas Department of Commerce & Housing                       |        |   |   |
| Community Development Block Grant - CDBG #12-PF-038 (Notes to the SEFA - 2)      | 14.255 | 12-PF-038                                 | 363,189.35                                |
| <b>TOTAL U.S. DEPARTMENT OF HUD</b>  |        |   | <b>\$ 865,377.00</b>                      |
| <b>U.S. Department of Transportation, Federal Aviation Administration</b>        |        |   |   |
| Direct Award   |        |   |   |
| Airport Improvement Fund (Notes to the SEFA - 2)                                 | 20.106 | AIP 3-20-0036-19                          | \$ 135,867.57                             |
| Airport Improvement Fund (Notes to the SEFA - 2)                                 | 20.106 | AIP 3-20-0036-20                          | 7,628.31                                  |
| Passed through the Kansas Department of Transportation                           |        |   |   |
| Occupant Protection Incentive Grant - Nighttime Seatbelt Enforcement Grant       | 20.602 | OP 1455-13 SP-4205.13                     | 1,235.42                                  |
| <b>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</b>                                   |        |   | <b>\$ 144,731.30</b>                      |
| <b>U.S. Department of Homeland Security, Federal Emergency Management Agency</b> |        |   |   |
| Passed through Kansas Adjutant General Office of Emergency Preparedness          |        |   |   |
| Hazard Mitigation Grant Program  | 97.036 | DR 4150 PW 38                             | \$ 3,750                                  |
| <b>TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY</b>                                |        |   | <b>\$ 3,750</b>                           |
| <b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>                                      |        |   | <b>\$ 1,013,858.30</b>                    |

THE NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS ARE AN INTEGRAL PART OF THIS SCHEDULE.

# CITY OF INDEPENDENCE, KANSAS

## Notes to the Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2013

### **Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards is presented on a basis of accounting which demonstrates compliance with the cash basis and budget laws of Kansas (regulatory basis) with one exception as noted in Note 2 below. Cash receipts are recognized when the cash balance of a fund is increased. Cash disbursements are recognized when the cash balance of a fund is decreased. Expenditures include disbursements, accounts payable and encumbrances.

### **Note 2. Reconciliation of the Schedule of Expenditures of Federal Awards to the Financial Statements**

#### **a. Airport Improvement Grant:**

The expenditures for the Airport Improvement Grant AIP 3-20-0036-19 from the United States Department of Transportation Federal Aviation Administration differ in presentation on the Schedule of Expenditures of Federal Awards (SEFA) from the basis of presentation as stated in Note 1. Prior grants 3-20-0036-17 and 3-20-0036-18 were for the purpose of design and administration for capital improvements for the Independence Municipal Airport. Grant 3-20-0036-19 is for the construction phase of the project. The grant agreement and construction contract were approved and signed during 2011; therefore, the City had properly recorded an encumbrance for the aforementioned contract in 2011. However, the only actual activity occurring during 2011 for this phase of the project was an immaterial amount of engineering and inspection costs. These expenditures were reflected in the 2011 SEFA. Review of documentation for grant activity to date indicates that the majority of the construction work for this project was complete at the end of 2012. To maintain consistency of audited expenditures to grant activity, expenditures included on the SEFA for 2013 are equal to 2013 Airport Improvement Grant Federal revenue plus the refund of federal funds paid back in 2012, but recognized in 2013. Reconciliation of the SEFA to Fund AIP 3-20-0036-17/18/19 in Statement 1 is as follows:

|                                   |                   |
|-----------------------------------|-------------------|
| Total Airport Improvement         |                   |
| Audited Grant Expenditures        | \$ 1,112,996.01   |
| Comprised of:                     |                   |
| 2011 SEFA                         | 56,208.00         |
| 2012 SEFA                         | 920,920.44        |
| 2013 SEFA                         | <u>135,867.57</u> |
| Less: Amount Expensed in 2011     | (1,228,661.22)    |
| Prior Year Cancelled Encumbrances | 87,000.52         |
| Transfer out of Non-Federal Funds | <u>(5,040.10)</u> |
| Total Statement 1 Expenditures    | <u>\$ 0.00</u>    |

CITY OF INDEPENDENCE, KANSAS

Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2013

**Note 2. Reconciliation of the Schedule of Expenditures of Federal Awards to the Financial Statements (Cont'd)**

b. Airport Improvement Grant:

The expenditures for the Airport Improvement Grant AIP 3-20-0036-20 from the United States Department of Transportation Federal Aviation Administration differ in presentation on the Schedule of Expenditures of Federal Awards (SEFA) from the basis of presentation as stated in Note 1. Grant AIP 3-20-0036-20 is for an additional construction phase to AIP 3-20-0036-19 as noted in Note 2 (a). The grant agreement and construction contract were approved and signed during 2013; therefore, the City has properly recorded an encumbrance for the aforementioned contract in 2013. However, the only actual activity occurring during 2013 for this phase of the project were an immaterial amount of engineering and inspection costs and the first payout to the contractor. These expenditures are reflected in the 2013 SEFA. Review of documentation for grant activity to date indicates that the majority of the construction work for this project will be performed during 2014. Reconciliation of the SEFA to Fund AIP 3-20-0036-20 in Statement 1 is as follows:

Statement 1

|                      |                      |
|----------------------|----------------------|
| Total Expenditures   | \$ 547,997.95        |
| Comprised of:        |                      |
| City Match Funds     | 70,000.00            |
| Federal Expenditures | <u>477,997.95</u>    |
| Total Statement 1    | <u>\$ 547,997.95</u> |

Schedule of Expenditures of Federal Awards (SEFA)

|   |                      |
|---|----------------------|
| AIP 3-20-0036-20<br>Expenditures                  | \$ 7,628.31          |
| Expenditures to be audited<br>in Future Period(s) | <u>470,369.64</u>    |
| Federal Expenditures                              | \$ 477,997.95        |
| Non Federal City Match                            | <u>70,000.00</u>     |
| Total Statement 1                                 | <u>\$ 547,997.95</u> |

# CITY OF INDEPENDENCE, KANSAS

## Notes to the Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2013

### **Note 2. Reconciliation of the Schedule of Expenditures of Federal Awards to the Financial Statements (Cont'd)**

#### c. Community Development Block Grant 12-PF-038

The expenditures for the Community Development Block Grant (CDBG) from the United States Department of Housing and Urban Development differ in presentation on the Schedule of Expenditures of Federal Awards (SEFA) from the basis of presentation as stated in Note 1. This grant is for the purpose of complying with ADA regulations and was approved for \$400,000 with a \$400,000 city match. The grant agreement and construction contract were approved and signed during 2012; therefore, the City properly recorded an encumbrance for the aforementioned contract in 2012. However, the only actual activity occurring during 2012 for this phase of the project was an immaterial amount of engineering and inspection costs. These expenditures were reflected in the 2012 SEFA. Accordingly, management determined that the remaining expenditures for this grant would be presented, in a subsequent, applicable, SEFA. Reconciliation of Fund CDBG #12-PF-038 in Statement 1 to the CDBG program on the SEFA is as follows:

#### Statement 1

|                    |                      |
|--------------------|----------------------|
| Total Expenditures | \$ 100,906.58        |
| Comprised of:      |                      |
| City Match Funds   | 0.00                 |
| CDBG Expenditures  | <u>100,906.58</u>    |
| Total Statement 1  | <u>\$ 100,906.58</u> |

#### Schedule of Expenditures of Federal Awards (SEFA)

|   |                      |
|---|----------------------|
| Total Community Development<br>Block Grant Expenditures | \$ 363,189.35        |
| Expenditures to be audited<br>in Future Period(s)       | <u>0.00</u>          |
| CDBG Expenditures                                       | \$ 363,189.35        |
| Less: Prior Year Outstanding<br>Encumbrances            | <u>(262,282.77)</u>  |
| Total Statement 1                                       | <u>\$ 100,906.58</u> |

CITY OF INDEPENDENCE, KANSAS

Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2013

**Note 2. Reconciliation of the Schedule of Expenditures of Federal Awards to the Financial Statements (Cont'd)**

d. Community Development Block Grant 13-PF-013

The expenditures for the Community Development Block Grant (CDBG) from the United States Department of Housing and Urban Development differ in presentation on the Schedule of Expenditures of Federal Awards (SEFA) from the basis of presentation as stated in Note 1. This grant is for the purpose of complying with ADA regulations, as an extension of 12-PF-038, and was approved for \$400,000 with a \$400,000 city match. The grant agreement and construction contract were approved and signed during 2013; therefore, the City properly recorded an encumbrance for the aforementioned contract in 2013. However, the only actual activity occurring during 2013 for this phase of the project was an immaterial amount of grant administration paid for with match funds. Accordingly, management has determined that the expenditures for this grant will be presented, in a subsequent, applicable, SEFA. Reconciliation of Fund CDBG #13-PF-013 in Statement 1 to the CDBG program on the SEFA is as follows:

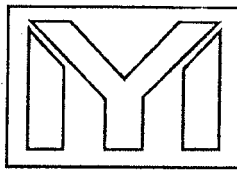
Statement 1

|                    |                      |
|--------------------|----------------------|
| Total Expenditures | \$ 907,933.80        |
| Comprised of:      |                      |
| City Match Funds   | 400,000.00           |
| CDBG Expenditures  | 400,000.00           |
| 2014 CDBG Grant    |                      |
| Expenditures       | <u>107,933.80</u>    |
| Total Statement 1  | <u>\$ 907,933.80</u> |

Schedule of Expenditures of Federal Awards (SEFA)

|   |                      |
|---|----------------------|
| Total Community Development<br>Block Grant Expenditures | \$ 0.00              |
| Expenditures to be audited<br>in Future Period(s)       | <u>507,933.80</u>    |
| CDBG Expenditures                                       | \$ 507,933.80        |
| Non-Federal City Match                                  | 400,000.00           |
| Total Statement 1                                       | <u>\$ 907,933.80</u> |





## YERKES & MICHELS, CPA, LLC

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Carmen R. Duroni, CPA  
Emily S. Erbe  
David W. Schwenker  
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### REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

#### Independent Auditors' Report

Mayor and City Commission  
City of Independence, Kansas  
120 N. 6<sup>th</sup> Street  
Independence, KS 67301

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*, the regulatory basis financial statement of the City of Independence, Kansas, as of and for the year ended December 31, 2013, and the related notes to the financial statement, which collectively comprise the City of Independence, Kansas's basic financial statement, and have issued our report thereon dated July 31, 2014.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statement, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency (Finding 2013-001).

## **Compliance and Other Matters**

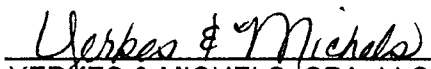
As part of obtaining reasonable assurance about whether the City's regulatory basis financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an object of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **City of Independence, Kansas's Response to Findings**

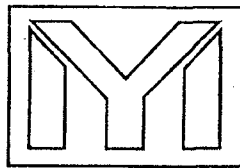
The City of Independence, Kansas's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs and the corrective action plan. The City of Independence, Kansas's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
YERKES & MICHELS, CPA, LLC  
Independence, KS

July 31, 2014



## YERKES & MICHELS, CPA, LLC

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### REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

#### Independence Auditors' Report

Mayor and City Commission  
City of Independence, Kansas  
Independence, KS 67301

#### **Report on Compliance for Each Major Federal Program**

We have audited the City of Independence, Kansas's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2013. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

#### ***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the *Kansas Municipal Audit and Accounting Guide*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the City's compliance.

#### ***Opinion on Each Major Federal Program***

In our opinion, the City of Independence, Kansas complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

## Report on Internal Control Over Compliance

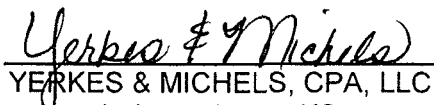
Management of the City of Independence, Kansas, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2013-001, that we consider to be significant deficiencies.

The City of Independence, KS's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs and the corrective action plan. The City's response was not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the response.

The purpose of this report in internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

  
YERKES & MICHELS, CPA, LLC  
Independence, KS

July 31, 2014

CITY OF INDEPENDENCE, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended December 31, 2013

Section I - Summary of Auditor's Results

*Financial Statements*

Type of auditor's report issued:

*Unqualified*

Internal control over financial reporting:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified? ☒ yes ☐ no

Noncompliance material to financial  
statements noted?

☐ yes ☒ no

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified? ☒ yes ☐ no

Type of auditor's report issued on compliance for major  
programs:

*Unqualified*

Any audit findings disclosed that are required  
to be reported in accordance with Section 510(a)  
of OMB Circular A-133?

☐ yes ☒ no

Identification of major program:

CFDA Number

14.228

Name of Federal Program or Cluster

Community Development Block Grants

Dollar Threshold used to distinguish between  
Type A and Type B programs:

\$ 300,000

Auditee qualified as low risk auditee?

☒ yes ☐ no

CITY OF INDEPENDENCE, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended December 31, 2013

Section II – Financial Statement Findings

INTERNAL CONTROL

Finding 2013-001:

Statement of Condition: The City of Independence, KS currently lacks a system of internal control for the assurance of completeness and accuracy for the Schedule of Expenditures of Federal Awards. See Section III – Federal Awards Findings and Questioned Costs for complete report for Finding 2013-001.

Section III – Federal Award Findings and Questioned Costs

Finding 2013-001:

Statement of Condition: The City of Independence, KS currently lacks a system of internal control for the assurance of completeness and accuracy for the Schedule of Expenditures of Federal Awards.

Criteria: OMB Circular A-133 requires recipients of federal awards to maintain internal control over compliance for federal award programs that provides reasonable assurance that they are managing federal awards in compliance with the provisions of laws, regulations, contracts and grants that could have a material effect on each of its federal award programs. As the Schedule of Expenditures of Federal Awards provides the basis for auditor's determination of major programs, auditees should have a system of controls in place to ensure accuracy and completeness of the schedule. Circular A-133 state that the auditee should identify in its accounts all federal awards received and expended, as well as the federal programs under which they were received. Federal program and award identification includes, as applicable, the CFDA title and number, the award number and year, the name of the federal granting agency, and the name of the pass-through entity. Using this information, the auditee should be able to reconcile amounts presented in the financial statements to related amounts in the Schedule of Expenditures of Federal Awards.

Questioned Costs: None

CITY OF INDEPENDENCE, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended December 31, 2013

Finding 2013-001 (cont'd):

Context: The Schedule of Expenditures of Federal Awards prepared by the City was not prepared prior to the start of auditor's field work. Observation and inquiry demonstrated the City's inaccuracy in recognizing and reporting all Federal award expenditures as documented through auditor's reconciliation of Federal revenue recorded to Federal revenue confirmed. Auditee's Schedule of Expenditures of Federal Awards also lacked proper representation of CFDA title and numbers and pass-through entities. There was no documented reconciliation of the amounts reported in the schedule to the financial statements or of review by management.

Effect of Condition: The Schedule of Expenditures of Federal Awards serves as the primary basis for the auditor's major program determination. Misstatements in the schedule could result in the omission of potential major programs from required compliance audit procedures. Failure to audit a program as major, when required, is cause for the future reissuance of the compliance audit report. The view of Kansas Housing Resource Corporation, a granting agency for the City, regarding this finding is that the continuance of this issue may result in the City being classified as high risk for any future grant awards, and thus, could adversely affect future funding.

Cause of Condition: The City has not designed an adequate system of control regarding the preparation of the required Schedule of Expenditures of Federal Awards.

Recommendations: Controls should be in place to ensure accuracy and completeness of the Schedule of Expenditures of Federal Awards. Management should be aware of all Federal awards received and expended, their source, and their compliance requirements. During the preparation of the schedule, the City should verify with granting agencies all CFDA titles and numbers, and the appropriate pass-through entity to be reported. After the schedule is completed, a reconciliation of the financial statements to the schedule should be performed, and management should review the schedule to verify all known Federal Programs are reported and that expenditures are properly captured on the statutory basis of accounting. The reconciliation and management's review should be documented.

View of responsible officials and planned corrective actions: Management concurs with the finding. The City will incorporate the use of the Government Audit Quality Center's "Schedule of Expenditures of Federal Awards: Illustrative Auditee Practice Aids" to assist employees and management in the accurate and complete preparation of the schedule. See Corrective Action Plan page 91.

CITY OF INDEPENDENCE, KANSAS  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended December 31, 2013

Finding 2012-01:

Condition: Proper internal controls over financial reporting and over compliance with regard to the Schedule of Expenditures of Federal Awards have not been implemented.

Status: The corrective action plan for this finding was not implemented and the finding will be repeated for the December 31, 2013 audit period. This finding has been ongoing since the December 31, 2011 audit period.



**CITY OF INDEPENDENCE, KANSAS**  
**City Hall – 120 North 6<sup>th</sup> Street**  
**Independence, Kansas 67301**  
**620-332-2506**

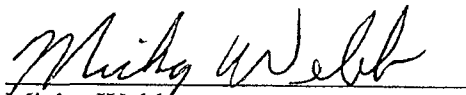
**CORRECTIVE ACTION PLAN**

Re: Finding 2013-001

Controls will be instituted to ensure accuracy and completeness of the Schedule of Expenditures of Federal Awards. Management will take care to be aware of all Federal awards received and expended, their source, and their compliance requirements. During the preparation of the schedule, management will verify with granting agencies all CFDA titles and numbers, and the appropriated pass-through entity to be reported.

After the schedule is completed, a reconciliation of the financial statements to the Schedule will be performed, and management will review the schedule to verify all known Federal Programs are reported and that expenditures are properly captured on the statutory basis of accounting. The reconciliation and management's review will be documented.

The City will incorporate the use of the Government Audit Quality Center's "Schedule of Expenditures of Federal Awards: Illustrative Auditee Practice Aids" to assist employees and management in the accurate and complete preparation of the schedule.

  
\_\_\_\_\_  
Micky Webb  
City Manager

7-31-14  
\_\_\_\_\_  
Date